THE LIVING AGE

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for September, 1932

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THE LIVING AGE was established by E. Littell, in Boston, Massachusetts, May, 1844. It was first known as LITTELL'S LIVING AGE, succeeding *Littell's Museum of Foreign Literature*, which had been previously published in Philadelphia for more than twenty years. In a prepublication announcement of LITTELL'S LIVING AGE, in 1844, Mr. Littell said: 'The steamship has brought Europe, Asia, and Africa into our neighborhood; and will greatly multiply our connections, as Merchants, Travelers, and Politicians, with all parts of the world: *so that much more than ever, it now becomes every intelligent American to be informed of the condition and changes of foreign countries.*'

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THE GUIDE POST

THE NAME of Jean-Richard Bloch is familiar to American readers as that of the novelist who wrote *& Co.*, but in his native France he is also known as a political writer with radical sympathies but no specific party connection. His account of the negotiations that are said to have occurred between the French heavy industries on the one hand and the German nationalists and Nazis on the other reveals that certain powerful interests in both countries favor a military alliance and a war against Russia. It would be physically impossible for their plans to materialize until next summer, and between now and then all sorts of things may happen—including a German revolution. But the article is important as showing a tendency that has not yet played itself out and that may lead to civil if not foreign war if the interests described by M. Bloch have their way.

THE TWO brief sketches of characteristic scenes in present-day England contain their own moral. A stalwart Tory gives a typical account of Royal Ascot Day; then comes a Labor sympathizer who has toured the Black Country and tells how the other half—or rather three-quarters—lives.

COUNT RICHARD NICOLAUS COUDENHOVE-KALERGI, the Austro-Japanese nobleman who initiated the Pan-European movement, prophesies that the Ottawa Conference will solidify Europe, regardless of its outcome. He believes so firmly that the world must be organized into several huge economic units that he takes quite seriously the prospect of a self-contained, self-sufficing British Empire covering a quarter of the earth's surface. At the same time he is even more firmly convinced that the nations of Europe will eliminate tariffs and war. Success at Ottawa would force Europe to unite in self-protection; failure would force England to collaborate with the Pan-European movement and abandon her traditional policy of keeping Europe divided.

THERE is no use pretending that anybody—except possibly Bernard Shaw in his *Intelligent Woman's Guide to Socialism*—can write entertainingly about gold. We cannot therefore recommend Mr. Hamilton's memorandum, as he called it, on the gold standard, written for the authoritative London *Statist*, as the lightest of summer reading. But it does present convincingly and clearly the whole case for gold as a basis of currency and exchange. The author, a native of South Africa, has an axe to grind in the sense that he is himself interested in mining gold—but few advocates of any cause are free from personal commitments. We have printed a good many general articles on politics and economics, many of them tinged with the various brands of radicalism that are so prevalent abroad. Here is an essentially conservative treatment of a specific topic. We should be grateful to hear from any of our readers who would like us to give them—if we can find it—more material of this nature.

THE OPENING paragraphs of our 'World Over' department call attention to the gradually increasing tension between Japan and the United States. In a world that is threatened with war in several quarters it is our duty and our function to report such developments. But we are also including two articles on Japan, the first, by Hélène Iswolsky, so sympathetic to the common people that it ought to create sympathy for their government too; the second so filled with alarming facts about domestic conditions that one wonders how a country suffering

(*Continued on page 93*)

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The World Over

SECRETARY STIMSON'S speech before the Council on Foreign Relations and the resentment that it aroused in Japan show that the war danger is no academic matter. That the prevention of war should have been the subject of his address is significant in itself; that Japan reacted to his words more violently than any other nation reveals a dangerous state of tension between the two chief powers on the Pacific. Several times during the past year we have printed in this department portions of Japanese 'secret documents,' not vouching for their authenticity but merely pointing out that they were circulating widely in the Far East. On one occasion we reprinted passages from the Tanaka Memorial, in the course of which a former Japanese Premier supposedly outlined to the Mikado his plans for the conquest of Asia and for war with America. Later we quoted from a memorandum said to be written by General Honjo, commander in chief of the Japanese troops in Manchuria, to precisely the same effect. A third 'secret document' with a slightly different moral has now appeared in the *China Weekly Review* of Shanghai. It purports to be a confidential address delivered on May 21 by Vice Admiral Imamura of the Japanese navy to a group of Japanese residents of Sydney, Australia. Two passages in particular are worth quoting. The first acknowledges failure in Manchuria and Shanghai:—

> I have been instructed by our Emperor and by the late Premier and his Councilors, to inform you of our inability to consummate by military force our desire

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to possess a ruling interest and trade control of Chinese industries—an object that we have sought from the standpoint of the national defense of the Japanese Empire.

Owing to the financial conditions that have developed in America, our financial advisers were unable to arrange certain trade concessions, with the group of financial companies that had promised to support our Government, and we were therefore compelled to withdraw our forces for the sake of self-preservation and to prevent our country from being brought into a serious and precarious situation through not being fully prepared and not having resources at its command to complete its objective.

Our Councilors also received information that Great Britain was secretly increasing the strength of her navies in the Mediterranean, and that strong military forces were being shipped to India, with the obvious object of using these forces against our country in the event of our success against the Chinese.

After expressing Japan's determination to carry out her plans at all costs, the Admiral outlines his Government's future policy as follows:—

Our Government and Councilors have decided upon a policy that may yet gain us the power to penetrate into China, and to secure for Japanese nationals many rights and privileges that other nations will not dare to violate. The policy of our Councilors is that all Japanese nationals who are domiciled in the colonies of Great Britain are to investigate conditions and possibilities in commerce and manufactures and to spare no energy obtaining information regarding the development of trade in China; they are to develop social and business friendships with scientific and technical professionals who have gained prominence by their capabilities, and, when the opportunity presents itself, they are to make known their desire and the actual advantages to be gained by assisting the Japanese nation.

It has been decided to put forward a policy of preventing the Chinese from gaining the scientific knowledge necessary to develop their industries, to reëstablish a gradual reconstructional development of Japanese industries based upon the latest scientific and technical knowledge, and again to seek the aid of British scientific men, who are capable of rebuilding national industries.

The *China Critic*, a Shanghai English-language weekly edited by Chinese nationalists, has its own ideas of Japan's policies:—

Japan is to recognize the Manchukuo Government, in order to wrest from it the rights that she wants to secure. Then after she has concluded treaties with the puppet state, Japan is to submit herself to the arbitration of the League of Nations by agreeing to the dissolution of the Manchukuo Government on condition that China should recognize all the treaties signed by the latter. In the estimation of the Japanese, such a plan would be acceptable to all parties concerned. That it would be satisfactory to Japan is of course very clear. On the other hand, Japan calculates that China would have no objection to it either, because she could then once more claim Manchuria as her territory. Finally, the League of Nations, the Japanese reason, should welcome such a project with open arms, because an opportunity would thus be given it to make a graceful exit. While we realize that we have no way as yet to confirm the above report, we are inclined nevertheless to believe that it is not altogether improbable that such would eventually be the actual formula adopted in the settlement of the Sino-Japanese

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controversy. Fortunately, however, our political leaders have lately reassured us that the Government will never subscribe to any humiliating demands of the Japanese, and is, as a matter of fact, determined to back up diplomacy by force in its attempt to recover the lost territory in the northeast.

WHETHER Japan will win the support of England remains problematical; that she has enjoyed the support of France seems more than likely. The fact that Japanese troops made wholesale arrests in the French concession at Shanghai during the bombardment, acting generally as if they were on Japanese soil, aroused suspicion, and as long ago as 1928 A. Morgan Young, British editor of the liberal *Japan Chronicle*, published in Kobe, wrote:—

> Were the secrecy of diplomacy to be abolished, as some enthusiastic reformers promised it would be after the Great War, some interesting facts might be disclosed regarding the visit of M. Martial Merlin, the governor of French Indo-China, to Japan in May 1924. He was received with royal honors, and no visiting sovereign could have been more obsequiously entertained. Much was rumored about a commercial treaty that was to enable Japan to supply the French Indies with some goods in partial exchange for the rice that she purchased there. But French colonial policy is not easily modified and four years later it was still pending, though another treaty had been concluded meanwhile. It was suspected, however, that more highly political questions were really at issue. A group in Paris had informed the world that they were the directors of the Russo-Asiatic Bank and therefore the shareholders of the Chinese Eastern Railway, and there was a good deal of speculation as to whether M. Merlin was not really in Japan on the business of entering into an engagement that should console Japan for the lapse of the Anglo-Japanese Alliance and, in the accepted manner, guarantee the integrity and independence of North Manchuria.

That England may also have been backing Japan is considered possible in the light of the fact that the attack on Manchuria occurred almost immediately after the 'National' government, with its predominantly Tory and, therefore, pro-Japanese leanings, had assumed power.

Not all the British press, however, is friendly to Japan, and the Liberal *Manchester Guardian* insists that the events of the past year in Manchuria constitute a dangerous threat to world peace:—

> In big ways like seizing the Dairen customs and in little ways like arbitrarily arresting foreign nationals and interfering with the Chinese Eastern Railway, Japan has shown those to whom it was not already obvious that she intends to make Manchuria a part of the Japanese Empire. It is not a question merely of China's being robbed of a large province and of thirty million Chinese's being governed by a foreign Power that they particularly hate, but of the breakdown of an arrangement whereby peace has been preserved in the Far East in extremely difficult circumstances. There was China, an empire falling to pieces; there were the Powers, anxious about existing commercial interests, anxious to turn China's difficulties to their own advantage, and anxious, above all, that no one of them

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should steal a march on the others. It was an inflammatory situation. The arrangement ultimately made was that China's sovereignty should be respected and equal trading rights enjoyed by all. Japan has consistently sought to upset this arrangement; by occupying Manchuria in spite of the protests of the League and of the United States and by attempting to transform it into a Japanese province, every department of which is controlled by Japanese officials, she has repudiated the whole Pacific settlement, not to mention the Covenant and the Kellogg Pact.

THAT Great Britain's Labor and left-wing press should condemn the Anglo-French consultative pact that emerged from the Lausanne Conference was only to be expected. Far more significant are the comments of more moderate organs. The *Week-end Review*, which can best be described as an independent weekly of the right, corresponding in intelligence and honesty to the more radical *New Statesman and Nation*, looks with extreme suspicion on the agreement with France:—

If the fullest hopes of the understanding are realized and other Powers join in; it will mean in effect our old friend, the Concert of Europe—not a very original or progressive idea for 1932. If, on the other hand, the other Powers stay out, it will mean our other old friend, the Entente Cordiale—as M. Herriot and the French press seem well to understand. In the one event, the League is superseded; in the other, Germany and the United States are antagonized, with all the attendant risks to British interests, in order to satisfy the French right; which is already a discredited body. Sir John Simon seems to have repeated, with far less excuse, Sir Austen Chamberlain's blunder of 1928 in concluding the Anglo-French naval agreement that caused such anger in Washington. Sir John seems incapable of understanding the collective system in international negotiation or of responding in any way to the contemporary spirit in international affairs. He is, if possible, a worse foreign secretary than Sir Austen Chamberlain was, because he stands where Sir Austen did, but in the interval the world has moved forward.

The more orthodox and definitely Conservative *Spectator* comments in the same vein:—

The new Anglo-French understanding, if understanding is the right term to apply to it, is a curious arrangement, and of very doubtful wisdom. Great Britain and France intend to exchange views with complete candor regarding various European questions and hope that other governments will join them in this. Is this really an innovation? They intend to work together and with other delegations at Geneva for a solution of the disarmament question beneficial and equitable for all the Powers concerned. Rather a belated decision in the sixth month of the Disarmament Conference. They will coöperate with one another and other interested governments in the preparation of the World Economic Conference. That surely went without saying once the Lausanne decision to call such a conference was announced. The fourth clause, whereby pending the conclusion of a new commercial treaty between them the two countries undertake to avoid any economic discrimination against one another, has real body in it. As for the rest, with their obvious suggestion of sectional understandings within the League of Nations, and even within the Committee on European Union, they are open to more objection than their authors may have realized.

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THE LONDON *Economist*, edited by Sir Walter Layton, who has been playing a rôle of increasing importance as a financial expert, criticizes the British counter proposals to Hoover's scheme for disarmament:—

> In short, we have regretfully to conclude that the British counter proposals on disarmament, instead of helping or improving the Hoover Plan, go far to wreck it. At the time of their publication we criticized Mr. Hoover's proposals on the grounds that they failed to take into account Britain's real need for a 'police force' of light cruisers; that they did not go far enough toward the abolition of the submarine; and that on land, while failing to allow sufficiently for the exposed strategical position of some countries, they had the serious omission of not combining budgetary limitation with reduction of effectives. These, however, were relatively minor points capable of adjustment. The essential value of the Hoover Plan was that it represented a genuine measure of disarmament—here and now. This, unhappily, cannot be said of the British proposals, and we fear their reception in the United States will be most unfavorable.

And the *Week-end Review* is again worth quoting on the same subject:—

> It is humiliating to have to admit that the blame for this smoothly disguised failure rests largely upon the British Government; and in particular upon the British foreign secretary. Not only the vast majority of the smaller states, but the governments of U. S. A., U. S. S. R., Italy, and Germany all stood for a real measure of disarmament. The German and Soviet representatives have had the firmness to vote for disarmament and equality and against the draft resolution, while the speech of General Balbo, the airman, in announcing Italy's disgust and abstention, contrasted in its decision and contemporary outlook with the remarks of the elderly lawyer who represented the people of England. Even France is now less backward than the die-hard officials of Britain and Japan. The repercussions of this unfortunate business were conspicuous in General von Schleicher's impolite but justified remarks on the German radio. Peace has made headway backwards, and a fiercer struggle is needed to save it.

The first fruits of Franco-British collaboration do not seem to have encouraged the friends of peace.

THE REFUSAL of De Valera's Free State Government to pay land annuities to Great Britain seems at first glance as frivolous a matter as the previous dispute over taking the oath of allegiance to King George. The amount of money involved is comparatively small and nobody doubted that the Irish were legally obligated to pay until it appeared that the treaty setting forth their obligations had been hastily and obscurely worded, with the result that De Valera actually had a presentable case which, however, neither he nor the British would submit to an Imperial court of arbitration at Ottawa. But the real issue is not financial. The question is whether Ireland shall remain part of the British Empire, and on that subject 'Scrutator' expresses himself emphatically in the conservative *Sunday Times*:—

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> Mr. Lloyd George has been criticized for speaking so plainly about the geographical position of Ireland and its relation to the security of our communications at sea. Ireland occupies much the same situation in relation to this country and its sea communications as we did to Germany in the War. It is not too much to say that we could not have won the War if we had not had full control over the Irish seacoast.
>
> There are those who argue that even under present conditions we could never maintain in time of war our communications through the Mediterranean or up the Channel against an enemy that flanked their long line and made use of submarines to prey on commerce. But with an Ireland that was a foreign country, not so friendly that it would not be willing to give to foreign enemies the comfort that she denied to our defense, our naval situation would be difficult almost to extremity.
>
> The Oath is only a symbol, but the reality for which it stands, unity at any rate in matters of naval defense, is so oppressive and insistent that no government could relax it. It is as well that Irishmen should understand that and draw the obvious moral. When they quibble about the Oath, they are merely speculating in legal subtleties; but the reality that the symbol expresses is to us nothing less than life or death. When its life is at stake, no nation sticks at trifles.

Since Ireland cannot possibly maintain herself without British trade, these paragraphs really contain the last word on Anglo-Irish relations.

FACING a budget deficit of at least two billion francs for 1932, the French Government authorized an additional bond issue of that amount, and parliament then dissolved until October, or possibly mid September, in the event of an emergency session, without taking steps to cut government expenses. Many senators expressed indignation and asserted that government costs and retail prices must be reduced. Joseph Caillaux estimated the budget deficit for 1932 at four and three-quarters billion francs and for 1933 at eight billion francs. He argued that there had been nothing comparable with the current deficits in the history of France for a hundred years. In putting through the latest finance bill, which Caillaux criticized so vigorously, Herriot turned to the parties of the right for his support and received the handsome majority of 306 to 172. This seems satisfactory enough, but the truth is that Herriot owes his prestige to his success at Lausanne, into which he was prodded by the leaders of the left, who now feel that he has broken away from them. Léon Blum, the Socialist leader, having gone out of his way to emphasize the gravity of the rupture. Of course the Tardieu administration left its successor a lamentable financial legacy, but it is disturbing to find Herriot already seeking the support of his crafty predecessor, thrown out of office by the last elections.

AS A MOUTHPIECE of the French heavy industries, the *Journal des Débats* of Paris expresses regret that Poland has signed a nonaggression

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treaty with Russia. It attacks the Poles for having let down the Rumanians, with whom they have a military alliance and with whom the Russians refused to sign a similar treaty because Moscow will not recognize the claims of Bucharest to Bessarabia. But Poland wants a guarantee that war with Germany will not also mean war with Russia, though the *Journal des Débats* argues that Russia can still join in a German attack. Quoting from the treaty that 'in the event that one of the signatories should undertake an aggressive act against a third power the other signatory will have the right to denounce the present pact without warning,' the *Journal des Débats* adds:—

> The day when a conflict broke out between Germany and Poland, the Soviet Union would be free to pretend that the former power had been attacked. Stresemann explained in one of his recently published papers that the Reich could arrange not to appear the aggressor, and we may be sure that the German thesis would be adopted by Moscow, which would thus enjoy full liberty of action. On the other hand, if Russia ever went to war with Rumania, the U. S. S. R. would allege that it was the victim of aggression and would invite Poland to remain neutral. When one deals with people from Moscow, elementary prudence advises one not to believe what they say.

The concluding paragraph of the same editorial expresses the present attitude of the most powerful interests in France:—

> In general, the modern mania for pacts seems to us absurd. If the Kellogg Pact has no meaning, supplementary agreements of nonaggression without any provision for sanctions have no value. But there is no excuse whatever for making agreements of this kind with the Soviet Union. They can only aid Bolshevism, which is working inside every country for revolution and which, in the diplomatic field, supports all those who are trying to upset Europe. If the U. S. S. R. is the enemy of our whole civilization, its attacks are particularly directed against France.

TWO PROBLEMS confront whatever cabinet attempts to govern Germany. Revolutionary discontent, as manifested in hundreds of street battles, is spreading rapidly and cannot be bluffed into submission by an officer's uniform, as some of the nationalists apparently think that it can. The Polish Corridor presents the second difficulty. Virtually all Germans, regardless of party affiliations, resent the eastern frontiers, and a war against Poland for which the nationalists and Nazis have been clamoring would be most popular. As our leading article attempts to prove, there are good reasons for believing that both Hitler and Von Schleicher have entered into understandings with certain big French industrialists toward whom Herriot now seems to be turning, but, as the same article also points out, the Von Schleicher clique is infinitely unscrupulous and daring. Although an understanding with France would presumably bind Germany not to attack Poland, the agreement might

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be broken, just as Von Papen and Von Schleicher seem to have broken the agreement they made with Hitler to give him a free hand in Prussia in return for his support of their Cabinet. If conditions in Germany become sufficiently desperate, it is conceivable that a reactionary government might risk an attack on Poland and let France do her worst. Such a policy seems completely suicidal, but it will be difficult to avoid unless revolution can be staved off through still another winter.

ARGUING that General von Schleicher's *coup d'état* of July 20, when he ousted the Socialist ministers from Prussia, actually amounted to a counter-revolution, the London *Economist* points out that there is revolutionary dynamite in the Hitler movement:—

> If General von Schleicher is dragged in the wake of Hitlerism toward not merely wild schemes of economic autarchy but the active suppression of anti-Hitler elements in Prussia and Bavaria, the end can only be a violent explosion. If he refuses Hitler's demands and challenges a 'show-down,' the prospects are less disquieting. For even though nearly all the long-service troops of the Reichswehr would probably stand fast for the Government, it must not be forgotten that the Hitler forces are by no means homogeneous. A part consists of political nondescripts, attracted to the movement mainly by the free board and lodging provided; a part comprises young men of the middle classes, little distinguishable from nationalists except in age and lack of monarchist ideals; but a large part, led by the best brains of the movement, has a definite Bolshevik tinge. If it came to an open struggle with state forces, now openly revealed as defending a 'system' against the sworn destroyers of 'system,' it would not be wholly surprising to find Herr Strasser's wing of the Nazi forces making common cause with the Communists on one and the same side of the barricades. Such a development might be a severe test for General von Schleicher, lacking, as he now does, the support of the still considerable moderate forces of republicanism.

Le Temps, speaking for the French Foreign Office, expresses more concern about Von Schleicher's demand for German military security than about his own political security:—

> To support his bold thesis the minister of the Reichswehr had to plead the cause of German security, and he could think of no better line to take than a violent attack on France. He said that international politeness prevented him from describing the attitude of the French delegation at Geneva as it deserved to be described, but his regard for international good manners did not prevent him from recalling that Stresemann had described France's attitude toward its own security as hypocritical. But what hypocrisy can there be when a nation whose territory has been invaded and devastated three times within a century wants to safeguard its security and provide effective defense for its frontiers? If there is any hypocrisy in all this it exists in Berlin among the leaders of the Reich, who vehemently demand a general disarmament in which they profess not to believe and who invoke the necessity of guaranteeing the security of a nation that nobody is threatening, that no reasonable person dreams of threatening. They also express their desire to provide Germany, contrary to the letter and spirit of the treaties and in violation of the most solid engagements, with an army constituting

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not a defensive force but an offensive force that shall be in the service of a policy of aggression, conquest, and domination, just as the army of the military state of Prussia always used to be in eastern and western history. Prussia wants to return to its former position, dragging all Germany along with it.

ONE COMPLICATING factor in Germany is the tension between Bavaria and Prussia. Because most Bavarians are Catholics they have always stood out against the domination of Protestant Prussia and have preferred a federal to a centralized Reich. The tactics of the Nazis in Munich, where, by the way, Hitler's palace, known as the Brown House, is situated, have been to compare the Bavarians with the Rhineland separatists of 1923. But Bavaria's loyalty to its religion has maintained in power the Bavarian People's Party, the local branch of the Centrists, and the state elections in April, which gave the Nazis and nationalists almost a majority in Prussia, gave the People's Party in Bavaria forty-five seats, the Nazis forty-three, and the Social Democrats twenty, so that Bavaria has the one state government in Germany controlled by a safe majority of moderates. In reply to the Nazi taunt that the Catholics are priest-ridden, the Bavarians assert that there are three religions in modern Germany, Catholicism, Marxism, and Protestantism, the last-named, the religion of Hitler, being the most priest-ridden of them all, as anyone who has witnessed a Nazi mass meeting will testify. The economic basis of Bavaria's hostility to Prussia is that it enjoys better living conditions than other parts of Germany. Industry has never made great progress and created extremes of wealth and poverty. The soil is more fertile and more widely held by peasant proprietors than is the case in Prussia where the large estates of the *Junkers* are still controlled in feudal style.

THE REMOVAL of Signor Grandi as Italian Foreign Minister came as a direct result of the revival of the Anglo-French Alliance at Lausanne, and did not arise from any feelings of personal jealousy on the part of the Duce. In his recent conversations with Emil Ludwig, which are described in our 'Persons and Personages' department, Mussolini was asked who might be his successor and replied, 'Well, it might be Signor Grandi.' But since those words were spoken his foreign minister fell down on an important job. The London *Spectator*, echoing the views of the Rome correspondent of the London *Times*, remarks:—

At Geneva within the last month there have been prolonged private conversations between British, French, and American delegates, from which Italy was excluded. At Lausanne an Anglo-French agreement was concluded of which Italy knew nothing till it was announced to all the world. It is not surprising if that has worked to the detriment of the Italian delegate thus relegated to an antechamber.

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Mussolini's outbreak against pacifism, following as it did the dismissal of Grandi, is also significant in this connection. William Martin, foreign editor of the *Journal de Genève*, asserts that Grandi converted the Duce to supporting a policy of international conciliation and recalls that on January 1, 1931, Mussolini declared his belief in world peace, but the virtual revival of the old Entente Cordiale and the exclusion of Italy have made him change his mind again. England, on whose support and pacific intentions he and Signor Grandi had counted, has now allied herself with the most conspicuous opponent of disarmament in Europe and in so doing has relegated a pacific Italian foreign minister to the part of outsider. Hence the Grandi dismissal and Mussolini's prophecies of war.

UNDER THE auspices of the League of Nations Austria is being loaned 350 million schillings which virtually represent a bribe to prevent the *Anschluss*. Germany refused to participate, but England and France each provided one-third of the money required. When, however, the League Council voted on the loan, the German delegate refrained from casting his ballot and blocking the deal, so that his behavior did, in a negative way, indorse the very transaction of which he officially disapproved. Before the negotiations had been completed Chancellor Dollfuss of Austria denied reports that France had made the loan dependent on political conditions, but Dr. Otto Bauer, leader of the Austrian Social Democrats, insisted not only that Austria was virtually renouncing the proposed customs union with Germany during the twenty-year period of the loan but that the Von Papen Government had agreed to put no difficulties in the way of this arrangement. The whole episode, including as it does the collaboration of France and England with the tacit support of Germany, throws light on the post-Lausanne alignment in Europe.

UNLIKE those more advanced countries in which a cotton blight spells prosperity, Hungary still lives in such a backward condition that its farmers have been congratulating themselves on the expectation of a good harvest. Not only will they have enough to eat themselves, but they may be able to get a little something from abroad in exchange for their surplus grain. Also, the country as a whole has lost some illusions that were costing it dear—among them the notion that improvement could occur without international action. With the reparations problem settled, the path is now clear for a scaling down of private debts and a reorganization of the currency with foreign help. Some tariff agreements must be entered into with the neighboring states, and if any foreign creditors can be discovered they will certainly insist on laying down the terms. Dis-

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content at present is confined chiefly to the eastern third of the country, and Budapest presents a much smarter appearance than Vienna. Lack of confidence in the future of the currency is the most powerful unsettling force right now.

THE LATEST issue of the China Year Book, dated 1932 and edited by H. G. W. Woodhead, English editor from 1914 to 1930 of the *Peking and Tientsin Times*, disposes of the legend that China never changes. The volume contains among other things a condensation of Mr. Justice Feetham's report on the Shanghai problem, which appealed more to the foreign residents than to the natives, who regard it as an indorsement, written before the event, of Japan's recent attack. But not all the Year Book is unfavorable to China. A chronological narrative of the Japanese invasion is followed by an impressive list of Japanese atrocities which more than match the Chinese outrages that Japan has publicized so widely. The narrative ends on March 14, when the provisional constitution for Manchukuo was published. The 1931 edition of the Year Book gave the only complete account of what the Kuomintang or Nationalist Party did during that year, and the 1932 edition continues the story, beginning with the obvious statement: 'It is not too much to say that the history of China in the past few years is a history of the Kuomintang.' Not even the files of the daily press yield so much information on this topic as the Year Book. Besides offering material with news value unobtainable elsewhere it also provides a mine of statistical information. There is a whole chapter on labor pointing out the great difference between the wages that Japanese manufacturing concerns in China pay Chinese and Japanese workers engaged on similar tasks. No one who examines this book, especially in conjunction with its predecessors, can fail to recognize that the great changes China has recently undergone foreshadow even greater changes in the future.

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Not only Hitler but all the German nationalists are accused of having allied themselves with the French heavy industries in order to wage war on Russia.

HITLER and FRANCE

By JEAN-RICHARD BLOCH

Translated from *Europe*
Paris Literary and Political Monthly

I AM taking as my text for the month a very curious editorial published on the front page of the May 13 issue of Marc Sangnier's courageous newspaper, the *Jeune République*, signed by M. F. Romerio and entitled 'Capitalism and Nationalism—Hitler, the Prisoner of International Capital.' Here is the text:—

'The masters of the French and German heavy industries, understanding that their interests are in agreement, have laid aside their nationalism in order to defend their interests. But to carry through this enterprise properly it was necessary to "civilize" Hitler, to bring him into contact with France and make him declare himself ready for an alliance. When the German industrialists asked Hitler to have an interview with French representatives, their proposition aroused great excitement in the camp of the German nationalists.

'"With France? Never. Let's try Rome and London instead."

'But at Rome the National Socialist representatives were very coldly received by the Pope as well as by Mussolini, and when Rosenberg, the "Foreign Minister of the Third Reich," went to London Neville Chamberlain asked him with a contemptuous air, "Since when do we deal politically with babes in arms?"

'Thus Hitler was forced to turn to Paris and thus he came in contact with M. Hoschiller, a representative of the Comité des Forges. The task was to find a common ground for agreement and this was discovered in a mutual desire to fight Bolshevism. "It is necessary for the German right and the French right to unite and declare war on communism," they declared, and Hitler became the political prisoner of an association of Franco-German economic interests.

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'Definite negotiations then took place between Captain Göring and M. François-Poncet, the French ambassador in Berlin, and agreements were reached on the following points: Alsace-Lorraine is to belong definitely to France. The Young Plan is to be respected. The Versailles Treaty is not to be modified by violence. In short, everything that might have seemed disturbing in Hitler's programme disappeared purely and simply. The Hitler question, which might have led to a Franco-German conflict, was settled by the big international metallurgical interests. Hitler himself explained his projects at Düsseldorf before the industrial magnates. A representative of the French Comité des Forges was discreetly present at the meeting. The minutes of this meeting were favorably received by the French industrialists in Paris. To-day Hitler has no choice but to obey the orders of the big capitalists. To-morrow he will be whatever the controllers of the Franco-German purse-strings choose to make of him.'

I have no knowledge that this information was ever denied. I have carefully followed issues of the *Jeune République* that appeared since that date and I do not believe that a correction would have escaped me if it had been published. The Ligue de la Jeune République, whose ideas I do not share but whose attitude, tone, and spirit one must appreciate, has shown too scrupulous a regard for truth to have kept silent if information exonerating the French metallurgists had appeared.

Meanwhile, a lawsuit has been going on in Germany which our readers may have heard reëchoed in the newspapers of wide circulation, and this suit confirms M. Romerio's allegations in the most disturbing way. A German journalist accused Adolf Hitler of having received French money for his campaigns of nationalist agitation, and he named a celebrated Czechoslovak firm closely controlled by the French proprietors of Creusot that may have been the intermediary for this massive liberality. These revelations irritated Hitler. He sued his accuser for defamation. At first sight, this gesture seemed to establish the innocence of the celebrated demagogue. The average Frenchman said to himself that a guilty man would not have run the risk of public debate. But the development of the trial gives food for thought. Hitler replied merely by threats and vociferations to precise accusations that gave names, dates, and figures. Ordered by the presiding judge to give definite information on a point of fact that had to do with the fund, he made a violent exit, shaking his fist while his mouth was contorted with rage, refusing to reply because the lawyer for the defense was a Jew or was supposed to be a Jew. The judge fined him a thousand marks for contempt of court.

Hitler thus gives the impression that he entered the case reluctantly, in order to calm the anxiety of his followers, rather than because he was inflamed with indignation at the offense done to his own virtue. But his attitude confirmed the suspicions that he had aroused.

WHAT does Hitler stand for in the eyes of the average Frenchman, who reads the newspapers of wide circulation, who pays his taxes, who is a war veteran who would rather not serve again but who must not be made too

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uneasy? Hitler stands for revenge. Hitler is the ogre of old Prussian militarism, of German officiousness, of eternal pan-Germanism. Hitler stands for aggression against Poland as a prelude to aggression against Belgium and France.

That is what the average Frenchman has been reading morning and evening in all the newspapers, and the growth of Hitler's vote at every German election has been shattering the Frenchman's hope of peace, of European reconciliation, of international coöperation, and his faith in the League. Why, then, do French industrialists whose interests, if not their hearts, seem tied up with the prosperity of France, contribute to a campaign of violent anti-French propaganda? How can this financial assistance that is being given to the Nazi movement go on under the noses of the whole of German heavy industry and the whole general staff of the National Socialist Party?

The only reason I can see is this. The programme of the Nazis is an election poster with two sides to it. One is turned toward the unemployed, ruined, desperate German people. This side proclaims in huge letters a certain number of slogans written in a language that imitates communist propaganda. Dropping Marxian dialectics, the Nazis borrow their immediate slogans, their high-sounding and well known formulæ, their tirades against international finance and capitalism from socialism. The Nazis simplify the Social Democratic vocabulary, transform it into a demagogic prospectus, but at the same time carefully cling to a style that has been tested by seventy-five years of good loyal service. National Socialist writings are stuffed with invocations to the traditional spirit of German nationalism. Old history books are revived, ancient German virtues are invoked. Patriotism, which was humiliated after the War, is being awakened again along with hatred of hereditary enemies both to the east and to the west. In short, the poor are incited against the rich, the hungry against the well fed, the sturdy German against the decadent Latin, the descendant of the Teutonic Order of Knights against the barbaric Slavs. Add to these elements a strong dose of anti-Semitism, which Count Sforza has defined as the 'socialism of imbeciles,' and you have the essentials of National Socialism.

The other side of this election poster is for serious people. They can read on it, though in smaller letters, a programme that is substantial enough. Here the prime question is the fight against Bolshevism, which automatically interests all industrialists, all owners of wealth, French captains of industry as well as German. This was the point on which they came to agreement, as we have seen from the editorial in the *Jeune République*.

Since a predominantly conservative clientele is being addressed, special emphasis is laid on the old German glories, German honor and its demands. Business men are reminded of the scandalous accumulation of gold and armaments in the backward little French economic system. At the same time everyone knows that these same industrialists have entered into more than a hundred and twenty cartels with their French and Belgian colleagues.

The proof that no one can ignore is that during the historic meeting at Düsseldorf held under the watchful

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eyes of Paris Hitler dropped the two most disturbing parts of his popular programme, the domestic war against capital and the national war of revenge. The result is that the last paragraph of the prospectus seems more like payment for services received than anything else. It is supposed to make the industrial and financial negotiators of the Franco-German alliance more compliant.

THIS election poster, as at present constituted, therefore appeals to two groups of supporters, the great German bourgeoisie on the one hand and the great French bourgeoisie on the other. The good reader of French newspapers may tremble every morning when he reads Hitler's inflammatory tirades or the latest vote that the Nazis have attained in the Hamburg or Hessian elections. But the big French industrialist, the member of big corporations in our heavy industry who knows what these things are costing him but who also knows what dangers they are saving him from, reads the same dispatches with a peculiar smile. Something similar happened in 1918, when Clemenceau decided not to disarm the German army so that it would be able to fight the Spartacists. The same thing also happened when our general staff entered Germany and refused to recognize the popular committees that were liberating war prisoners and saluting our troops with shouts of '*Vive la paix!*' Instead they forcibly established officials of the old imperial régime so that they would still be faced with people from their own world with whom they could negotiate, discuss, and quarrel.

Nevertheless, a second very singular thing happened shortly after the Hitler trial. The new Chancellor of the Reich, Von Papen, made a sensation when he first appeared at Lausanne by his moderation and extreme gentleness. He had been depicted to us as a fanatical landowner. As a military or naval attaché in New York when the Great War began he was on the point of blowing up I don't know how many ships and factories. He was eager to have his hands dripping with the innocent blood of workers, children, noncombatants, and neutrals. He incarnated the return to power of the old general staff, of the monarchist clique, of the *Junker* spirit, of the hard heads of Pomerania and East Prussia. In brief, he stood for war against Poland and any other country. Yet this fanatic suddenly appeared at the Lausanne Conference in the rôle of a smiling diplomat and convivial conversationalist.

One cannot fail to agree with M. Albert Rivaud, professor of philosophy at the Sorbonne, an observer of Germany, not indulgent but well informed, who said that the new German government 'is going to use violent methods toward us, surrounding them with courteous formality. Von Papen and Von Schleicher are men who will not be bothered by scruples and whose realism innoculates them against any sentimentality. They are extremists, men who will risk anything. Even the most extravagant temerity always attracts them. Politics in their eyes is a poker game in which the most audacious wins, especially if he has taken the trouble to stack the cards. They regard Brüning as "a curate who had wandered into world affairs" and who "was a good man to preach in a village church."

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'They love to run futile risks and to put paradoxes into practice. Such things have become second nature to them and they have a certain sadism, a perverse pleasure in courting danger, braving death coldly, playing desperate rôles. Prussian fury seethes behind their stiff masks. When the insurmountable or unforeseen obstacle emerges they are carried away by a desire to strike and kill. No one knows what they may be capable of. Our brave ministers nourished on rhetoric are going to confront men of another age whom only Bolsheviks could meet on equal terms.'

So much for M. Rivaud. But before accepting his conclusions let us consider a third document. General von Schleicher, the political genius, has become a member of the Von Papen Cabinet. He is the new great man in the Reich, its latest scarecrow. Almost as soon as he joined the Cabinet he made the following declaration to a correspondent of the Agence Radio:—

'The nationalist parties are the very ones that sincerely desire coöperation with France. We are ready to conclude any economic agreement that France may desire. In our opinion, an economic agreement is indispensable. We have enthusiastically greeted the establishment of the Franco-German Economic Committee, the work of the French ambassador in Berlin, André François-Poncet, who is performing a tremendous task. It is for France to decide what the basis of an economic agreement must be.'

M. André François-Poncet, a former university professor who received a degree for his German researches, is a very intelligent man according to those who have the honor of his acquaintance. He was appointed to his post in Berlin by M. Tardieu, who is also a very intelligent man in his own way. The Tardieu cabinet likewise included Paul Reynaud as vice president of the Council. M. Paul Reynaud in his time made a certain stir by initiating a project for collaboration between France and Germany.

Let us be quite clear on this point. It was not a collaboration between pacific, working, peasant France, the 'bleating' France of thirty-six million men and women who have no interest or interests, and 'bleating' Germany, pacific, working, peasant Germany. It was, if you recall, a plan of collaboration between the France of the Comité des Forges and the Germany of the military associations, between the France of steel and the Germany of the Steel Helmets. Moreover, those who are well informed know what importance should be attached to the close connections between our above-mentioned ambassador in Berlin and the above-mentioned Comité des Forges.

IN THIS connection Chancellor von Papen's gentleness and General von Schleicher's declaration perhaps contain a different significance from what M. Albert Rivaud detects. Let us try to see what it is.

The reader will notice that I am purposely refraining from referring to statements made in *L'Humanité* and *Le Populaire* or the Radical Socialist press. They are numerous and they corroborate all the facts I have mentioned and even add to them. But I have made it a point to confine my documents to publications that could not be taxed with partiality. That is why I particularly refer my readers to

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the pamphlet written by Georges Hoog, *L'acier contre la paix, ou l'Internationale des Canons*, published by the *Jeune République*, 34 boulevard Raspail, at one franc fifty. Besides providing a crushing argument and documentation, this little book contains a useful bibliography of the whole question.

The Von Papen Cabinet represents the arrival in power of the *Junkers* and the big feudal landowners of Pomerania and East Prussia. It violently replaced the Rhineland Catholics, who had Brüning as their instrument. Supported by Marshal Hindenburg, it incarnates the return to activity of the old aristocracy of Frederick the Great and William the First, the structure and honor of the Prussian army. Bolshevism is a great terror to these people, just as it is to the industrialists, but for different reasons. Remember that Chancellor Brüning fell because he submitted to President Hindenburg a decree that timidly envisaged a redistribution of certain portions of the great domains of the *Junkers* among the eastern peasants. 'That is pure Bolshevism,' cried the Field Marshal, and the man from the Rhineland had to retire in the face of the feudal landowners of the Vistula and the Oder.

Of course, these men do not have the interests of France at heart, but they like Bolshevism even less. France is the most solid rampart of the old social order on the Continent. Moreover, to govern against the will of France with a heavy burden of financial indebtedness and with an army that they are quite aware is not the strongest in the world seems crazy to them at the present moment. Why, then, should they not propose to France, and I mean to the good France, the France of the military general staff and of the industrial general staff, a pact similar to the one that now unites this France with Hitler? Why should they not offer something substantial to compete with the offers and the pact that came out of the conference at Düsseldorf? Why should not the Von Papen–Von Schleicher group try to supplant Hitler and receive the favors and liberality of French heavy industry and diplomacy? This, I believe, is the way to interpret the suggestions made by General von Schleicher to the French correspondent of the Agence Radio. Some day we shall also know whether this is the interpretation to attach to the famous Franco-German Economic Committee approved of by Von Schleicher and initiated under the auspices of our Embassy in Berlin.

Thus we are witnessing the singular spectacle of two countries whose inhabitants are intoxicated morning and evening by appeals to panic and hatred, and whose real masters, I mean those who own all the newspapers, are negotiating among themselves coldly, not carried away by chauvinism and not bothered by any national preferences. Quite in agreement with one another, they trifle with popular impatience, deflect the dangerous honesty of the masses in false directions, and share the business market in the way that best serves their combined interests. We also have the spectacle of the ultra-nationalist parties in Germany trying to break each other and at the same time asking for French money and for the support of our heavy industries, our banks, our general staff, and our government. This is all, as Kipling says in *Kim*,

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the great game. The average Frenchman is no more informed about it than the average German. They both have the right to pay, to read, to shout themselves hoarse.

In the great game manœuvring is not forbidden. It is even recommended. Both Hitler and Von Papen will appeal to Mussolini, Chamberlain, Litvinov, Hoover. Our negotiators will gladly move the Belgian pawn, the Polish pawn, the Czechoslovak pawn. But these little motions deceive nobody. Everybody knows that the real game is being played between France and Germany. They alone have the power to end the game and determine its outcome.

ONCE again the capitalist world appears to us as it really is. Behind the voter, behind the taxpayer, we divine the presence in every country of a score of omnipotent rulers. They decide everything. They regard peace and war as one argument among a thousand. They make their decisions untroubled by any conception of the nationalist virtues that the journalists virtuously celebrate every day. The pamphlet by Georges Hoog, articles by Francis Delaisi, the famous investigation of the deputy, Engerand, the speech of M. Paul Faure before the Chamber of Deputies on the eleventh of February last, the works of M. Victor Margueritte, the monetary crises that have been occurring during the past ten years, the recent lawsuit of the German metallurgist, Thyssen, teach everyone who does not yet know it that patriotism is food for little fellows.

The Fatherland is an idea that rises to a certain level and no further. Below this level patriotism reigns, along with the national tension that it is the function of patriotism to maintain. Above this level the domain of intelligent skepticism begins. It is there that the demigods of finance, industry, and international politics live and breathe. They look with a smile on the combats of heroes, the duels of Achilles and Patroclus, the glorious death of Guynemer, the placards announcing mobilization. Those demigods are the same ones who, while the battle of Verdun was holding the palpitating attention of the whole world, had their eyes on the Briey basin and were furnishing Germany, by way of Switzerland, with bauxide and cyanamide that she needed for her explosives, and were receiving in return magnetos that they sold to our air forces. They are the same Frenchmen who speculated against the franc and the same Germans who speculated against the mark. They are the same Frenchmen who are subsidizing German nationalism again to-day and the same Germans who are disputing among themselves for the same subsidies.

As for French diplomacy, it is always for the old régime. As long as the old régime stood for legitimism our diplomats were royalists. When military success rallied the big bourgeoisie to the support of the Republic and definitely installed the big bourgeoisie in the Republic and the Republic in the big bourgeoisie, thus achieving the terrible synthesis of Republic, capital, and Church, our diplomats became republican. The legitimism that they defend is no longer the legitimism of the throne but that of capital. The common enemy is Moscow. Such seems to be the final word on Hitler, Von Papen, and Von Schleicher and on Franco-German relations.

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Is England leading the world back to prosperity or is her economic system damaged quite beyond repair? Here are two sharply conflicting factual reports.

England's *Two* Faces

By Two British Observers

I. Royal Ascot Day

From the *Morning Post*, London Tory Daily

ASCOT has come into its own again. Grace, beauty, elegance under a cloudless sky; flaming June at its best and brightest; gossamer gowns floating across green turf; soberly clad clergy parting with small coin to prosperous-looking men cooped behind the railings. Fifty yards away a hydra-headed monster writhing convulsively, emitting a drone of jubilation. It is the jolliest, happiest monster that ever drew breath. Royal Ascot has begun.

The elements conspired with humankind yesterday to stage the finest, most glorious, and rarest day that has graced the King's Meeting for many a year. And to greet it there were present the King, the lords, and the commons in their happiest mood. The King, with the Queen, the Prince of Wales, the Duke of Gloucester, Prince George, and the Princess Royal arrived with the traditional cavalcade to the tune of such a cheer as has rarely reechoed across the famous heath. Lords were already in their boxes to applaud; the commons, the backbone of the turf, straggled in thousands as far as the eye could reach against the loveliest of all race-course backgrounds.

Ascot is so different—and yet so essentially the same. But yesterday, more perhaps than ever before, it was the woman's meeting and the parson's. 'Yes, my dear, they'll all go round in a circle in a minute, and then you'll be able to see which you like the best . . .' 'Yes, sir, "four to one bar one" means that I will lay you odds of four to one against any horse

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but the favorite . . .' These are things that you hear only once a year, and that is at Ascot.

But they are learning, these black-coated men and flowery-frocked women. In their scores they were forming queues at the windows of the Totalizator, which last year shattered all records. And they were also congregating at the pigeonholes of the telegraph booths. Most thoroughly British of all British relaxations, Ascot's appeal grows wider and wider.

Only one thing everywhere—light-hearted gaiety. Pounds, banknotes, half crowns were thrown to the winds in a spirit that bespoke confidence in the future as much as revelry in the present. All the estates of the realm mingled together in happy unison. Red-coated bandsmen placed their bets cheek by jowl with owners.

Above them all a smiling King inspired in his people a smiling spirit. Laughs, cheers, songs rose from end to end of the course and contested the obstreperous importunity of the layers. And the latter were for once satisfied. One after another was heard loudly protesting that he had never had a better day.

Favorites lost, and the concourse cheered. Hundreds of pounds left bag and purse, and they cheered anew. And the sun shone with a hotter brightness than ever before; the flowers bloomed a new freshness. Over all there was an atmosphere of elegance, reflected in the dresses, which savored almost of the Ascot of pre-war days, its glory, its ease, its perfection.

Perfect horses, perfect racing. Perfect women, a perfect spectacle. The Queen Mary Stakes have been run—nearly every race bears a royal name—winnings have been drawn. There is a pause, a shiver of expectancy. Then, as if from nowhere, there appear the outriders, glowing in scarlet and gold. A string of carriages thunder behind them. A low, rolling murmur grows coherent, gathers force, and rolls along from end to end of the course. The band is rigid at attention; every head is bared. 'God save the King.' The first day of Royal Ascot is over.

II. In the Black Country

By A. F. B.

From the *New Leader*, London Independent Labor Weekly

I HAVE been in some desolate parts of Britain—mining valleys, textile towns, shipbuilding centres—during the last two months, but the most desolate of all has been Bilston in the Black Country. It is like a district devastated by war. There are large waste stretches pocked with holes and ridges just as though they had suffered a heavy bombardment. The grass grows thinly over black cinders. There are large patches of cinders with no grass at all. There are houses in ruins, with bricks scattered in confusion.

Bilston was a steel centre and a mining centre. Most of the steel works and the mines are now closed down. Thirty-five years ago one could stand at a spot in Bilston and count thirty-five ironworks within a radius of three miles. Now many have been razed to the ground and scarcely a chimney of

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those which remain is smoking. I went into house after house where the walls and roof were broken and the wall paper was falling off in strips. They were low, cramped, dark, damp, and stuffy. I saw dirty brown stains on the wall where the rain had come through. In many houses there was no electricity or gas. Oil lamps or candles were used.

Our photographer took a picture of the court at the back of one of these houses. I did not visit it, but her description of the overcrowding and poverty of the family is typical of many I did see. The man is employed at a steel works. His wage is £2 a week. He has poisoned his hands and is receiving £1 a week compensation. Additional relief of 7*s*. 6*d*. from the Public Assistance Committee has been granted. There are six children. The eldest is a lad of seventeen; he was dismissed from his job when he came under the Insurance Act at sixteen.

The rent is 4*s*. 6*d*. for three rooms, one down and two up. Husband and wife and baby sleep in one bed; three boys sleep in another in the same room. Two boys sleep in the second room. It is in a terrible condition. Rain has come through the walls on to the bed. Wall paper has been refused by the landlord. The woman has tried to make the place as decent as possible. The only water supply is a tap in the yard at the back. The lavatories are also in the yard, primitive and filthy, shared by the row of houses.

I entered the front room of a working-class house. It was so low and dark that I found it difficult to see. A rough beam ran across the fireplace; the ceiling bulged. An old man and woman, 64 and 63 years of age. The man is a miner, but has been out of work twenty months. The woman is his housekeeper. The Means Test allowance is only 15*s*. 3*d*. for them both, because the woman is not his wife.

I asked the woman how she makes 15*s*. 3*d*. cover their needs. 'We pay rent of 5*s*. for this room and the one above it,' she replied. 'We pay 1*s*. 4*d*. for coal. It seems strange as how, although he has been a miner all his life, he can't afford more than a half hundred of coal a week. We have two meals a day—tea and bread and margarine or dripping—my daughter gives me a jar of dripping a week. On Saturdays we get bacon-bits as a treat. We never buy clothes.'

This man has worked forty years in the mines. At sixty-four years of age he is left with 15*s*. 3*d*. a week to keep himself and his housekeeper!

I did n't see all of Bilston. The one modern, businesslike building I saw was the Labor Exchange. The rest seemed ruin. It is certainly the one busy office in the town.

'The only shops doing any trade here are those in the grocery line,' I was informed. 'I'll wager that forty out of fifty shops don't sell a shilling's worth of goods even on Saturday night. The only shop booming here is an invasion that sells things in the food line dirt cheap. It seems to have bought up old stuff—battered tins of fruit with the labels off, jellies with the covers torn off—two for three halfpence. The women crowd it out, saving odd pennies, which mean an extra meal for them.'

Bilston is capitalism in decay. Its industries have collapsed; its population is unemployed and destitute. It is characteristic of a great part of Britain.

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The founder of the Pan-European movement argues that the Ottawa Conference means a united Europe with Britain included if Ottawa fails, and with Britain out if Ottawa succeeds.

Europe *and* OTTAWA

By Count Richard N. Coudenhove-Kalergi

Translated from the *Vossische Zeitung*
Berlin Liberal Daily

OTTAWA is a milestone of world progress. It is a gravestone of free trade. It is a foundation stone of continental economic development.

Two economic theories contended for mastery during the nineteenth century—free trade and national tariffs. England stood for free trade; the continent of Europe for national tariffs. The aim of free trade was to organize the whole planet into a single and unified economic organization. The aim of the advocates of a national protective tariff was to transform their nation as far as was possible into a closed and self-sufficient economic sphere.

Free trade increased the universal dependence of each part of the world on all other parts. Hence it promoted the maintenance of world peace. National tariffs increased a nation's power of resistance in the event of war, for only a self-sufficient economic system can feed and arm a blockaded nation. During the twentieth century economic and political developments worked in opposite directions. Whereas technical progress tended to increase world commerce and therefore encourage free trade, political developments favored autarchy. The most powerful argument of the national autarchists was the war blockade of the Central Powers.

Here was striking proof that free trade can exist only between nations that are certain to live in peace with each other. Free trade with a potential enemy may become suicide to-morrow. At the same time, the war blockade proved that even the largest European nations are too small to organize their economic systems on a self-supporting

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basis. And the failure of the war blockade of Russia proved that a huge economic unit could protect its independence even during a period of crisis.

Thus both theories were disproved by the War, both free trade and national autarchy. This double fiasco of previously accepted doctrines led to the creation of a new economic and political conception—the economic continent. An economic continent is a huge expanse of territory whose extent, population, and wealth of raw materials assure virtual self-sufficiency. At the same time, the political relationships between the various parts assure the maintenance of peace behind a common protective tariff wall. At home the economic continent practises free trade; toward the outer world it presents a protective tariff. It combines the technical advantages of free trade with the political advantages of autarchy.

Two economic continents exist today—the United States of America and Soviet Russia. Both could survive an economic blockade on the part of the rest of the world for a century and not have to capitulate. For both are able within their own frontiers to produce nearly all the raw materials, nearly all the food-stuffs that they need to maintain life and to keep their economic systems going.

If they are now suffering from the economic crisis, that is due to other causes. For to date no sensible American or Russian has recommended overcoming the crisis by erecting interstate customs barriers, and at the same time sensible Europeans are advocating the abolition of European tariff walls and the creation of a European customs union. For the system of a big domestic market which will consume most of the goods it produces and which can be supplied cheaply by means of mass production has proved its superiority to the system of small economic units.

THE significance of the Ottawa Conference resides in the fact that England is trying to make its Empire into the third and largest economic empire in existence. England is not abandoning free trade in a hopeless effort to transform her overindustrialized island into a self-sufficient economic unit. Any such attempt would ruin British industry and lead to disastrous consequences.

England's purpose is to replace free trade, which has now become impossible, with Empire free trade, which is easy to organize for political reasons. Since England has seen more and more foreign markets being closed to her products by rising tariff walls, she is trying to make that quarter of the world's territory and population which lives under her flag into a huge domestic market for her own exclusive use. For this enormous Empire fulfills the requirements that make free trade possible. It lives at peace with itself, an essential of economic self-sufficiency, and it has the necessary natural wealth, population, and raw materials.

The conception of economic empire has two faces. It is a movement in behalf of both free trade and tariffs. Free trade at home, protection abroad. If England succeeds in her grandiose attempt to knit her Empire together into an economic alliance, this British block, with its reserves of raw materials extending from the two poles to the Equator, will become the mightiest

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economic power in the world. If the attempt fails, America and Russia will dominate world economics. England will have played out her historic rôle.

Hence Ottawa's imperialism is political as well as economic. It is England's last attempt to save her world dominance. It is an attempt to save the greatest Empire in the world from collapse. It is an attempt to establish a permanent link between British trade and industry on the one hand and an inexhaustible supply of raw materials on the other. Political ties are not strong enough in themselves to hold together an Empire that has no geographical unity. Only economic ties can guarantee its unity and its future. Hence the most farsighted British statesmen and economic leaders fight for the idea of Empire: First and foremost among them stands L. S. Amery, former minister for the colonies, intellectual leader of the Empire movement, and the true heir of Disraeli and Joseph Chamberlain. He is a statesman of the first order and a man of intelligence and energy. Thanks largely to him, the idea of Empire has been combating centrifugal tendencies and has come to life again in the form of the Ottawa Conference.

The Ottawa Conference will determine European as well as British history. For England's future relations with the Continent depend on the success or failure of the Conference. England's uncertain position toward Europe is blocking European unity to-day, just as Austria's uncertain position toward Germany prevented German unity a hundred years ago. At that time the whole of Germany recognized the necessity for German unity, but it could not be achieved because nobody knew whether Austria, whose empire lay for the most part outside Germany, would unite with the future Germany or not. Until Bismarck's time the formula was a united Germany without Austria buttressed by a dual alliance with the whole Hapsburg Empire. To-day it is uncertain whether or not England can enter into a European alliance. The Conference at Ottawa will answer this question.

IF THE British economic union comes into existence England automatically cuts herself loose from the Pan-European combination, for she cannot grant protective tariffs to both Rumanian and Canadian grain. It is impossible to favor British grain at the expense of European grain and at the same time to favor European grain at the expense of British grain. If Ottawa succeeds, the European boundary question will be clearly raised, not in a hostile spirit but in a neighborly spirit that will lead to a close British-European alliance. If Ottawa fails, England will find herself forced to enter into a union with the continent of Europe. While Canada is turning to Pan-America, England will be turning to Pan-Europe. For England cannot remain isolated in the modern world. If she cannot form a union with her Dominions she must unite with the continent of Europe. In any event, Europe stands to gain from whatever decision is reached.

In another sense, too, Ottawa is determining the future of Europe. It is clear that a Europe divided into twenty-six different economic units could not maintain itself in the face of three great economic empires—Russia, America, and Britain. Hence success at Ottawa would at once raise the

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question of a Pan-European economic union.

For if England grants preferential treatment to the grain from her Dominions, then the European industrial nations must grant similar treatment to grain from Eastern Europe. In like manner, if the Dominions grant preferential treatment to English industrial goods, the agricultural states of Eastern Europe must grant similar preferential treatment to the products of the West European industrial states. Logic will relentlessly compel a European economic union to follow in the wake of a British economic union. Europe cannot sit still and watch its exports being excluded from oversea markets without adapting itself and organizing its own European markets, in conjunction with its own colonies, into a huge economic unit. But, in order to bring into existence this great economic unit, it is necessary to create the same political conditions that exist within the British economic union, namely, a condition in which war between the member states is out of the question. Hence the problem of a European economic union is identical with the problem of political understanding and reconciliation between the European states, especially between France and Germany.

This fateful question that the Ottawa Conference is placing before Europe demands an immediate answer. Already the outlines of a fourth economic system are beginning to appear in the Far East, where China is being reorganized and dominated by Japan. The new Manchurian state is only a beginning. Europe, too, must make decisions at this hour. Hence the significance of the European congress that is meeting from the first to the fifth of October in Basel, where the question of a European economic union will be discussed, along with the political implications involved.

Having an eye to what is going on all over the world, Europe will see itself forced to take its destiny in its own hands and, in the name of an economic Monroe Doctrine, assert the same right to form a union that the British dominions are now assuming in Ottawa. Hence the European echo of Ottawa runs as follows: 'Europe for the Europeans.'

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A South African director of several finance and gold-mining companies explains how England—and, by implication, the world—can revive business on the gold standard. A timely preface to the World Economic Conference.

Common Sense *about* Gold

By F. H. Hamilton

From *The Statist*
London Financial Weekly

IT WILL before long be necessary for the British Government to define its policy with regard to the pound sterling, and it is desirable that public opinion, and especially that section of it which is directly interested in that vital nerve centre, the City of London, should reach certain broad conclusions upon currency questions. This is not altogether easy. The subject is exceedingly intricate and highly technical, and in the main the experts have been too preoccupied with their own pet theories, and the politicians too closely concerned with politics, to be very helpful. Nevertheless, the time is approaching when some measure of common agreement will have to be reached. Within the next twelve months or so, the Government will know how far tariffs have helped to establish a balance of trade; how far and, broadly, on what lines we may hope to balance budgets; the American elections will be over; the Young Plan will have been duly superseded, and we shall, in all probability, know what we have to pay the United States, and what we are likely to receive from Germany, if indeed we do not know that already. In other words, we shall be in a position to form a fairly shrewd idea, within comparatively narrow limits, of what, relative to the gold currencies, is the natural level of the pound sterling.

The purpose of this memorandum is to suggest that the only policy possible for the British Government is to return to the gold standard, simultaneously to reduce the gold contents of the pound sterling, and to announce its policy the moment it is reasonably confident that it has ascertained the

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level at which the pound can be maintained. The recent debates in the House of Commons, the last report of the London Chamber of Commerce, innumerable letters to the press, and a deluge of brochures and leading articles all demonstrate that there is considerable opposition to each of these propositions, and particularly to the fundamental doctrine of the necessity of gold as a basis of currency and credit. What would have been regarded twenty years ago as an economic heresy too absurd to provoke serious discussion is to-day a burning question with all classes, and it is commonly alleged that the 'measuring rod' of gold has proved unreliable and that some more stable substitute must be found. It seems clear, however, that if international trade and investment are to continue at all some common measure of value is necessary.

Now one of the primary functions of such a common measure is to settle the relatively small balances that arise out of international trade, which consists in the main of an exchange of goods. Ever since world commerce attained great proportions gold has provided this common measure. It has also fulfilled other important functions by fixing rates of exchange that afford an absolute basis of comparison between monetary units, whether they are called dollars, francs, or pounds, and at the same time supplying an automatic check upon any one country's inflating its currency. It is true, of course, that the gold-standard countries as a whole may inflate or deflate by erecting a greater or less credit structure upon their gold stocks, but an isolated policy upon the part of any individual country is impossible beyond very narrow limits, and thus the basis of comparison between monetary units remains stable. In this limited but very useful sense gold serves as a 'measuring rod.' It is urged that, although gold may provide a fixed rate of exchange as between nations, it affords, as we have seen, no guarantee against catastrophic variations in commodity prices, and that it matters little to the trader who receives something which has a greater or less purchasing power than he contracted for whether the variation is due to a fluctuating exchange or to an altered range of world prices measured by gold.

This is no doubt true. The gold standard is not infallible; no conceivable system is. So far from being foolproof, it is an exceedingly complex and delicate instrument requiring skilled, experienced, and honest control in order to ensure its relatively smooth working. Other conditions also are necessary, including a reasonable correspondence between wages and commodity prices, a reasonable readiness to accept payment of international debts in the form of goods, and a reasonable degree of international good will, but it is only on these terms that international trade and investment can continue at all. When, therefore, it is alleged that the gold standard has broken down, it is well to remember that none of the necessary conditions has been satisfied, and that, given the facts as they exist, no system other than barter, and that only on an insignificant scale, could have survived the series of economic earthquakes to which the world has been subjected.

DURING and since the War we have witnessed the transfer of nominal, and to a large extent of actual,

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wealth on a scale unprecedented in history. Creditor nations became debtors and debtors creditors; the hegemony of world commerce and business passed, or seemed to pass, across the Atlantic almost overnight. Every belligerent nation, with the exception of the United States, inflated its currency at one time or another. The war treaties in the sacred cause of self-determination created some 14,000 miles of fresh frontiers in Europe, along which the newly liberated nations erected tariff walls of almost unscalable height, while the United States, not to be outdone, insisted on the payment of war debts in order to discourage European armaments, and raised its already towering import duties in order to encourage American manufacturers, with the ridiculous result that a creditor nation deliberately made it impossible to receive payment of its debts in any effective form. Meanwhile the secular enmity between France and Germany continued, and still continues in a subacute form, to poison international relationships and sterilize every effort toward peace and good will. Now all this has nothing to do with gold, and to attribute the upheaval and dislocation from which we are suffering to the failure of the gold standard to function is simply to misuse language. The gold standard did not fail; it was overwhelmed over a large area by the impact of forces that would have pulverized and destroyed any conceivable system of international trade or basis of credit.

We are therefore forced back upon our first proposition that, if international trade and investment are to continue at all, one of the first requisites is to find a common and universally valid currency that provides a fixed rate of exchange between monetary units. It is, I believe, certain that the basis of such a currency must be gold, possibly helped out, as Mr. Neville Chamberlain has hinted, by silver, but assuredly gold. The reasons for this conclusion can be stated very simply. It so happens that from the beginning of the historical record gold has been prized by all people, almost without exception. It is rare, but not too rare; it is portable; it is durable in certain alloys; and it is exceedingly attractive in appearance. Of no other substance on the earth's surface can this be said in anything like the same degree, but in the main its merits are not so much intrinsic as psychological. It is an ideal basis of credit because credit is *credo*, and whether it be the coolie in Asia or the Kaffir in South Africa, the banker in New York or Budapest, men and women, uncivilized or sophisticated, all believe in gold as possessing a permanent exchange value.

In times of stress the tendency to hoard it is a constant and persistent phenomenon. In India, which has had more than its fair share of politics, hoarding has gone on for more than 2,000 years; during the troublous later days of the Roman Empire the habit was widespread; we saw it again the other day in Paris, where chips from gold bars were being sold by the money changers at extravagant premiums; and it began in the United States last month, during the recent discussions in Congress, and only ceased after President Hoover's message had been published and the legislators responded to the whip. During the latter half of 1931 alone it is estimated that the hoarding of gold

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amounted to eighty million dollars. The tendency to fly to gold in times of intense political excitement seems almost instinctive among large masses of people, and could only be changed, if at all, over a long period. As Dr. Johnson observed to an obstinate disputant, 'you cannot reason a man out of a belief that he has never been reasoned into,' and to a majority of mankind gold is an article of faith, not of logic. This is a singularly fortunate circumstance. Faith in anything is not too common in these days, and faith in the basis of one's currency, whether it be a metal or the promises of democratically elected politicians, is eminently desirable. Facts and certain politicians being as they are, it would almost seem that if gold did not exist it would be necessary to invent it.

There are numerous proposals before the public just now for superseding gold and, indeed, any metallic basis of currency and credit. Some of these are simply fatuous, others are ingenious and theoretically admirable schemes for correlating the volume of currency and commodities. It is not necessary for present purposes to consider any of them in detail. Suffice it to say that they all suffer from two disadvantages, either of which would be fatal under existing conditions. They are of necessity to a large extent experimental, and far too intricate to command general comprehension or assent. An even more serious objection is that all these schemes ultimately rest upon extremely elaborate and very complicated index numbers and calculations of the most difficult and intricate character. It would be impossible to guarantee the accuracy of these calculations, or in times of difficulty to maintain public confidence in an inconvertible paper currency that was based upon them. There is good reason for this scepticism. The suggestion of scientific precision that is sometimes presumed to attach to index numbers as a measure of a general price level is, to a large extent, unmerited since index numbers are exceedingly fallible and often positively misleading.

THERE exists at the moment a somewhat widespread expectation that it may be possible to establish a sterling, as opposed to a gold-standard, group of countries. It is argued that inasmuch as the Sterling Bill has been the basis of international trade for a century or more, there will be a natural disinclination to vary it, and that all countries with close business relationships with the United Kingdom will be prepared to come within the sterling group. This idea is attractive but illusory. For one thing, such a grouping, even if it were practicable, would stereotype the existing confusion, since trade between the gold and sterling countries would be constantly impeded by fluctuations, often violent, which could be neither foreseen nor prevented. But the fundamental objection has already been stated. The Sterling Bill conquered the commercial world mainly because all the parties to it believed that, if necessary, it could be ultimately expressed in terms of something that had a universal purchasing power, namely, gold.

To imagine that it is possible to dispense with this guarantee and substitute a universal confidence in successive British governments or committees of experts is to lose sight of realities. If to-day, in the absence of

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the automatic checks provided by gold, sterling preserves a high degree of purchasing power, it is due to the fact that the world believes that the existing Government of Great Britain intends at all costs to balance both its budget and its trade, to avoid unhealthy inflation, and at no distant date to restore the currency to a gold basis at a level that can be maintained.

A further reason for confidently believing that the demonetization of gold is as impracticable as it would be dangerous is found in the fact that the United States, France, and the British Empire are all closely interested in the metal. The stocks held by the United States and France exceed two-thirds of the available stocks of the world. Into the causes of this maldistribution it is not necessary for present purposes to inquire. All that need be said is that it is a symptom, not a cause; that it arose inevitably out of the world conditions to which reference has been made; and that, given some measure of restored confidence and sanity, it would be speedily adjusted. What, however, is important to note is that both America and France would inevitably resist demonetization. There has been some loose talk, and a number of rumors regarding the policy of the United States, but every authoritative pronouncement that has been made leaves no doubt that there is not the slightest intention of departing from the gold standard. The preamble to the last French foreign estimates stated the policy of France with great precision. 'Gold alone,' it said, 'can unmask economic delusions in time and signalize errors of direction, perhaps with brutality, but with efficacy.'

The interests of the British Empire in the metal are at least equal to those of France or America. Of the total world production, the Empire is responsible for about 70 per cent of a sterling value of eighty million pounds annually. The industry within the Empire gives direct employment to some 400,000 people, and indirectly supports four times that number. The Union of South Africa is almost wholly dependent for its revenue and prosperity upon the gold mines, and they are a factor of great and increasing importance in the economy of Ontario, Western Australia, and West Africa, and to a less extent of India, Quebec, British Columbia, and other portions of the Empire. Any proposal that ruined or gravely injured an industry of such magnitude could be justified only by the certainty of securing advantages of the most important and manifest kind. No such certainty exists. So far from that being the case, any scheme involving the abandonment of a metallic basis of currency and credit would be at best a gamble of the most reckless kind. It would necessarily presuppose a world unity that has not yet appeared upon the most distant horizon, and a general confidence in the experts and politicians of the various nations that they do not even profess for each other. An unprejudiced survey of the position leads inescapably to the conclusions that the demonetization of gold would reduce world trade to barter, would dangerously impair the prosperity of large and important members of the British Empire, and would deepen the present confusion into chaos. For these reasons, and because outside Great Britain the two richest nations in the world are vitally interested in maintaining the position of gold, it seems safe to conclude that general

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demonetization is not to-day, and will not be within any period of time of which the present generation need take account, within the sphere of practical politics.

IT IS, of course, true, as the last annual report of the London Chamber of Commerce emphasizes, that there is something wrong with a state of things in which a debt contracted twelve years ago has to be discharged 'in commodities from three to three and a half times its original commodity price.' As has already been pointed out, it is a confusion of thought to attribute this to the faults of the 'measuring rod' of gold. The causes of the present impasse are numerous, confused, and largely political and international. Any attempt to disentangle or analyze them even superficially would lead me far beyond my present purposes. To the extent to which international factors are involved they are outside our direct control, and I only propose to deal with one aspect that is within our discretion, namely, devaluation, that is, a statutory reduction in the gold contents of the pound sterling.

Even had the catastrophic deflation of the last three years not occurred, a reduction in the dead weight of the debt of this country, as expressed in commodities, would still have been necessary. As a result of the War, obligations were assumed so fantastic that the minds, not merely of ordinary people, but apparently of statesmen, bankers, and economic experts, altogether failed to grasp them or appreciate even faintly their implications. In the case of reparations, the mere moonshine fantasy of the amounts that in 1918 were gravely discussed by people who should have known better was more quickly perceived, and since then successive downward adjustments have been made to the accompaniment of resounding bankruptcies throughout Europe, which have now dislocated the whole machinery of credit, and finally the whole range of price levels throughout the world.

But the narrower question of internal debt in this country remains. We entered the War with a national debt of some six hundred millions; we came out of it with one of eight thousand millions, at which preposterous level, if we include payments due to the United States, it approximately remains. The difference between the two amounts is not one of degree, but of kind. The one figure had a definite relationship to existing facts; the other has little or none. A national debt of the pre-war figure to a country with the resources of Great Britain was not only tolerable, but in many ways even advantageous, but multiplied thirteen times the burden becomes one that impairs the vital functions of the state, and at existing price levels spells bankruptcy. Its incidence affects all classes, its service is maintained only by successive Chancellors of the Exchequer's affecting to regard capital as revenue. Probably, to-day, no one who devotes any serious or consecutive thought to national affairs doubts that in some way or other this monstrous incubus must be effectively lightened, but this was not always the case.

In the fateful days that immediately succeeded 1918, the Labor Party alone appeared to recognize the menacing seriousness of the position, and their remedy of a capital levy was, in the circumstances, the worst that could

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have been devised. Beyond lending itself readily to appeals of the soap-box order it had no merits, and easily united all the disadvantages of a maximum of disturbance, destruction of values, and appearance of public bad faith with the minimum of result. The policy pursued or sanctioned by Conservative governments, however, while less spectacular, was hardly less disastrous. They and their expert advisers never appeared to realize that no society can support a weight of debt that stands in more than a certain proportion to its total wealth. That proportion cannot be precisely defined, but after the War it should have been evident that we were approaching and, indeed, had probably overstepped, the danger line, and that some relief to debtors was inevitable.

Unfortunately the tendency to favor creditors seemed to be constant and irrespective of nationality or class. The settlement of the American debt, without consultation with our Allies, was one case in point. The stabilization of the rupee on a gold-exchange basis of 1*s.* 6*d.*, after it had *de facto* attained a stabilization of 1*s.* 4*d.*, was another, inasmuch as, apart altogether from its effect upon silver, it had the effect of putting a premium of 12½ per cent on debts in a country where some sixty million peasant proprietors normally owed money to the local usurers. But the gravest error of all was the return to the gold standard at the old parity in 1925. No doubt both the government of the day and the Bank of England gave the world at large credit for a greater degree of commercial sanity than it has proved to possess; no doubt they were animated by a sense of the immense importance of maintaining British credit; no doubt the path toward the Avernus of ultimate deflation sloped at an almost imperceptible angle and was paved with the most excellent intentions. But the mischief was none the less serious, and one of our main tasks to-day is to undo that mischief with the least possible disturbance.

In this matter France displayed greater decision and better logic. If, as is often urged, the devaluation of the franc by nearly 80 per cent was a fraud upon creditors, our decision in 1925 was equally a fraud upon debtors. It must be remembered that the bulk of our war borrowing took place during a period of great inflation, and by returning to the old parity of gold eight years later we not only increased the dead weight of an already intolerable burden, but gave in effect an enormous subsidy to *rentiers*, creditors, and protected wage earners, precisely those classes which from the national standpoint were the least important. Here again, however, it is foolish to attribute the difficulties that have followed to the 'measuring rod' of gold. The decision to vary that measure was deliberate, it attracted few protests at the time from authoritative quarters, and the City of London, no less than the government of the day, must accept a share of the responsibility.

ONE result of the disastrous return to the old parity seven years ago should be noted in passing because its reactions upon the existing system are likely to be profound and permanent. One of the reasons given by the experts who advised the government in those days was that English investors were owed over one thousand million pounds, expressed in sterling, by for-

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eign and oversea debtors, and, obviously, the creditors would profit by the increased gold value of the pound. Unfortunately the facts obstinately declined to coincide with this apparently logical theory. The burden on the foreign debtors rapidly became so heavy that they took refuge in default upon an unprecedented scale. At the present time foreign government loans floated in London aggregating over five hundred million pounds are in default, and English investors are impoverished to the extent of nearly thirty million pounds a year. It is interesting to observe in this connection that no member of the British Empire has defaulted. It has often been said that Australia has overborrowed, and there is a measure of truth in the statement. A good deal of that borrowing, however, was necessary in order to enable the Commonwealth to make a contribution in the Great War the full splendor of which cannot be expressed in terms of money.

The record of our foreign loans has presented a remarkable contrast. Several of them were issued for purposes that were only partially productive, others were profligate and steeped in political corruption, and the objects of one or two were mainly sinister and bellicose. It is a melancholy reflection that the deflationary policy of seven years ago, which was in part designed to secure the maximum advantage to English investors, has resulted in gravely hampering our own flesh and blood, in driving our foreign debtors to default, and in impoverishing our own people. One outcome of the present debacle may be that the great London issuing houses will recognize the desirability of modifying their practice with regard to foreign loans, and will come to the conclusion that concentration upon Empire development may prove as attractive from a financial as from a political standpoint.

The time has come to retrace our steps. Whether we consider the question from the national, the imperial, or the international angle, it seems clear that the weight of existing debt must be reduced if the existing structure of our civilization is to be preserved. From the standpoint of the British taxpayer, economies are still possible in many directions, although both army and navy have been dangerously pared, and the War Loan conversion scheme has been boldly conceived and so far brilliantly executed. But these will not suffice to reduce the national burden to tolerable dimensions. Nothing but a drastic scaling down of our capital indebtedness will serve, and for the reasons already given I suggest that of all the steps within our own discretion devaluation of the gold contents of the pound sterling as defined by Act of Parliament of 1816 will assist to that end most easily, most effectively, and with the least disturbance of credit. It is no doubt still too early to decide upon the extent of that reduction or to determine what is the natural level of the pound, that is, the rate of exchange which corresponds to our actual trade balance, and which can be effectively protected on a gold basis. A plausible conjecture would be somewhere in the neighborhood of $3.50, but it would be little better than conjecture. It is, however, vitally important that action should not be postponed by any political considerations when once the essential data are ascertained. So long as the chances of the next general election remain a factor in estimating the

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future value of sterling, so long will there be a tendency, especially in periods of political excitement, for international business to seek other centres than the City of London, a tendency that no amount of optimism in the newspapers will counteract, and business once lost is not easily recaptured.

Empire devaluation would have the result of enormously increasing the available gold supply of the world. This is a matter of the utmost importance. Certain currency experts have assumed, almost as a matter of course, that the gold supply is insufficient to maintain the standard indefinitely. They base this view upon the grounds that for a long time past the volume of world trade has tended to increase faster than gold production, that the older fields are showing signs of exhaustion, that geological evidence does not point to the probability that new fields of importance will be discovered, and that the search for gold in past years has been so careful and intense that further investigation is unlikely to reveal any large fresh sources of supply.

The truth of these last two propositions cannot be regarded as certain, or even very probable. No one with practical experience of gold mining will be disposed to attribute infallibility to geological predictions, but there are, in fact, known and vast areas where the geological conditions are actually favorable, and which remain unexplored. It would be surprising rather than otherwise if within the next few years fresh important sources of supply were not brought to light. This, however, is obviously conjectural. What is certain is that devaluation of the pound, if, as is probable, South Africa came into line, would automatically bring about an increase in the supply of gold which for many years would far exceed the normal growth of world trade.

IN THE Witwatersrand an effective devaluation of only 10 per cent would assure an ultimate production from ore at present unprofitable equal, probably, to nearly 20 per cent of the present available gold stock of the whole world, and what applies to the Rand applies in a less degree to large areas in other parts of South Africa, to Australia, Canada, and elsewhere. In these circumstances it seems singularly premature to envisage an ultimate failure of the gold standard owing to any scarcity of the metal. A more pregnant inquiry would surely relate to the effects of Empire devaluation upon the world's gold supply and the price level. It is the more curious that this vitally important aspect of the question should have been so generally ignored, since the influence of gold production upon price levels is part of the commercial and economic history of the nineteenth century. From 1816, when Great Britain adopted the gold standard, down to 1914, four main price movements are plainly discernible. The high prices that prevailed during the Napoleonic Wars declined until 1851, then there was an upward movement that lasted until 1873, then a fall until 1896, and then a rise that continued until the outbreak of war. In 1849 gold was discovered in California, and in 1851 in New South Wales. In 1894 it was finally demonstrated that the banket deposits around Johannesburg lived to great depths, and that improved metallurgical processes rendered possible a

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profitable recovery from pyritic ores, thus assuring the position of the Witwatersrand as incomparably the greatest gold field so far brought to light in the history of mining.

It might plausibly be argued that the low price levels stimulated both prospecting and metallurgical research; but what cannot be disputed, and was in fact generally admitted by the economists of the last century, is the effect of the gold discoveries upon price levels. It will be observed that the recovery in prices synchronized not with the maximum of actual production, but with the general recognition that a fresh supply of gold was ensured—a point of especial significance and importance to-day. It would appear, therefore, that the discoveries of gold on the Pacific Coast and in Australia in the 'fifties, and on the Rand forty years later, not only vitalized credit over vast areas and gave the first impulse to movements of wealth and population that have powerfully influenced the development of three continents, but also checked a world fall in prices and marked the beginning of fresh eras of increasing production and prosperity. Yet the outputs in California and New South Wales in the early 'fifties, and the Rand in the 'nineties, were small compared with the vast stores of the metal, known, ascertained, and measurable, which devaluation would make available during some vitally critical years.

It is not suggested that devaluation in itself would remedy the world crisis. Just as gold was not the cause of the abysmal deflation that has dislocated the machinery of trade and credit, so no mere monetary modification can of itself effect a cure, or resolve that complex of fear, distrust, narrow nationalism, and false economics which has resulted in the amazing spectacle of a world poverty-stricken in the midst of plenty, and which to-day is menacing Western civilization. But it is a vastly important factor that is within our own control; and the direct results of a courageous policy would certainly be great, and indirectly it might prove decisive. Devaluation would inevitably tend toward world inflation, or, as the American euphemism goes, 'reflation,' not in any artificial sense, but by the natural method of vastly increasing the supply of the accepted basis of currency and credit, and creating fresh employment and purchasing power in the process.

It is less easy to gauge the indirect results, but they might well prove to be even more important. There are signs that the general disease from which the world is suffering has now reached a phase at which it is largely psychological. We are on the eve of a world conference on price stabilization and kindred matters, in itself a welcome sign that the United States is at long last hovering on the verge of common sense and is beginning to realize that the gold standard, like any other, has its rules that cannot be disobeyed with impunity. Everywhere there are signs that opinion, while still fluid, is almost ready to crystallize. At this juncture a gesture from Great Britain, still the greatest creditor nation, which would definitely relieve the strangling pressure of debt over a wide area, and at the same time assure the world that the pound sterling would remain in the future, as in the past, independent of theories or politics, might have incalculable consequences.

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Here are two first-hand and up-to-date reports from a country weakened by foreign war and domestic depression. Both are translated from the French and are therefore not unsympathetic.

Will Japan CRASH?

TWO FRENCH OBSERVERS

I. EVERYDAY JAPAN

By HÉLÈNE ISWOLSKY

Translated from *Le Correspondant*, Paris Clerical Semimonthly

IN August the thermometer mounts to eighty-five degrees Fahrenheit and does not decline until the middle of September. The days pass, burning and moist, punctuated by the incessant song of the crickets. Night brings no relief, and the dawn exhales a heavy, soft, demoralizing breath. At nine-thirty in the morning sunstroke lies in wait for you on the street, and by ten it surely strikes you down if you have not covered the back of your head with a moist cloth in the Japanese fashion. None the less, the industrious, stoical natives keep on working. Their life is regulated by a slow but constant rhythm that would exhaust a European in a few days. Short bursts of energy followed by a period of rest, improvised action, simplified or accelerated labor are all unknown here. Just as bees never vary their method of building a hive, so this nation is governed by an unchanging law. My servants go crazy if a chair is moved out of its proper place or if I am late to a meal.

Rising at the break of dawn, the Japanese work far into the night without stopping. Labor and life are so intimately interwoven that the two cannot be separated. Only the state offices, banks, and schools rest one day in seven and observe the English Sunday. Stores, shops, barber establishments are virtually never closed except at night. The family lives, eats, and sleeps in its store or workshop.

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In the summer time, since the houses have no walls, they present a film of Japanese life. On the threshold of these slightly elevated buildings, which are completely open to the street, the client pauses to make his purchase and the friend stops to talk. Anyone who wants to enter leaves his straw sandals or wooden shoes in the street. The difference between the outside and inside of the house, which are separated by an imaginary line, possesses immense importance. A man takes his shoes off to show that he is courteous, considerate, respectful. Whether he is a bourgeois or a coolie, his behavior remains the same.

But if he keeps his shoes on he becomes another man. This happens everyday in the bars and restaurants that follow Western styles and have no matting on their floors. People enter them with their feet covered and consequently find it easy to be noisy and unconstrained. The floor is covered with cigarette butts and filthy with spit. A Japanese who has his shoes on thinks he is in the street and acts accordingly.

THE longer one lives here the more one recognizes that the life of a Japanese citizen is subject to a detailed schedule in which everything is foreseen and runs at a fixed pace. Picturesque Japan, which moves artists so profoundly, is actually the setting for an austere, bare, almost monastic life. Crowding due to overpopulation forces the little Japanese to adopt a code so rigid that it would terrify a European court. Any personal reaction, good or bad, would be dangerous to the community. These bare houses, in which nothing that happens escapes the neighbors' notice, are inhabited by a great collective soul, a mute and modest soul.

Japanese discipline is made for adult people, but before they submit to it they go through the golden age of childhood. The Japanese child is king of the universe. He takes the air carried like a precious burden on the back of his elders—father, mother, brother, or sister, for little Japanese girls learn to play with real babies like dolls and the older children do not blush when they have to carry, or hold the hands of, younger members of the family. On the contrary, they are invariably proud, and it is a charming sight to see them showering attention on their little brothers and sisters.

If you want to win the hearts of the Japanese smile at their children. At once their impassive faces light up with pride. Deep bows indicate their satisfaction, and with each bow the child who is strapped on to the back of the older person bows at the same time, its head swinging, its eyes fixed. Unquestionably, these are the happiest babies in the world. They never cry or make demands because their smallest desire is satisfied. They are never pushed aside or treated like negligible quantities. The inhabitants of this country, which is stifled with overpopulation, always seem eager to compress themselves, to become smaller, so as to make room for new arrivals.

The adolescent period that follows childhood is penetrated with a joyful, tender sensitiveness amazing in such a Spartan nation. Look at the groups of college students walking through the street dressed in black coats cut in the European style, wearing their caps over one ear while their hair flies in the wind. How carefree, gay,

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sure of themselves they appear, how conscious of their importance. They are the flower of a nation that loves to exalt their virtues, their patriotism and youthful enthusiasm. Photographs of their exploits are published every day—championships, sporting events, military parades, agricultural competitions, debates. During vacations the most famous temples throw open their doors to give these young people lodging on their travels. The state watches over them with paternal solicitude and the young people in turn are confident, affectionate, and grateful to their masters. They do not reach the ungrateful age until much later, when they have left the cordial atmosphere of the school and university and find themselves rudely faced with the hard realities of life. When the young Japanese is twenty-four or five years old, he chooses a profession and takes a wife. It is then that he undergoes metamorphosis. Grave, ceremonious, domestic, self-contained, he departs from his humanity forever. He will never be anything but a social unit, subordinate to regulations, devoid of individualism.

FOR the woman the rules are infinitely harder. Subject to her husband and her mother-in-law, who is the terror of the hearth, repudiated if she is insubordinate, sick, or sterile, she is simply her husband's shadow, the slave of the family gods. If she becomes a widow she has no authority over her children. Her mother-in-law takes them away from her along with her wages. None the less, she, too, once experienced the joys of childhood. She received a conventional education, either in a state school or with missionaries. She went in for rhythmic gymnastics, she read Ibsen and Tolstoi and heard people talk about feminism. But the matrimonial scourge soon beat away those dangerous phantoms.

In spite of hardship, the Japanese woman is not at all amorphous or effaced. On the contrary, she breathes a tranquil, gentle power. While she is still a young girl her graces may seem rather dull and affected but maternity gives her a dignity reminiscent of the Roman matron. Her fertile loins have peopled this land of demigods and heroes. There is something great about her very obedience because she surrenders to its driving force. Her face expresses the same suave correctness, the same charity filled with outer reserve that shines from the faces of all religious devotees. Moreover, though she becomes her husband's shadow she practises as much as he does the patriotic and civic virtues that are the essence of the civilized soul.

We have seen the Japanese working in his shop or factory, in his office or laboratory, in his bank behind the wicket. Everywhere he shows that he is industrious, punctual, disciplined, polite. Now let us accompany him during the brief hours of leisure he enjoys at the end of a summer afternoon. Let us go to Tobo-no-Hama, the bathing beach nearest Nagasaki, to which buses carry families, all of them numerous.

The Japanese have always liked athletic contests, wrestling, archery, and fencing. Under American influence they have become fond of sport and enthusiastic about tennis, baseball, and swimming. Tobo-no-Hama, which was recently a deserted beach, has now become the meeting place of

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sport-loving young men and women.

The Japanese countryside smiles at us gently and hospitably. Naked men with cloths wrapped around their heads watch as we go by their cottages. On the side of the road an old woman is washing herself outdoors in a great tub of steaming hot water. Peasants are coming home carrying baskets, for everything is done by man-power here, horses and oxen being rare. The symmetrical, square rice fields look like the creations of patient insects. The methods of rice cultivation cannot be changed, for the motor tractor would be useless in these artificial swamps. The Japanese still work with superhuman activity trying to grow enough rice, but they cannot keep themselves nourished, for it has become too expensive. That is one of the paradoxes of this country's economic life that has struck me most.

BUT now at a turn in the road the sea appears. A tiny city of wood has been erected on the sand, with restaurants, terraces, and floats to which the bathers cling like crabs. The canvas on which this gay spectacle is painted is a magnificent bay of tender, Mediterranean blue. From a distance, it looks like one of the Riviera bathing resorts with bath houses, casino, and open-air bar. But as soon as we draw near the illusion vanishes. There are no bath houses, no casino, above all no bar. We find ourselves in a veritable Polynesian village with *tchayas* on high supports offering modest refreshments and humble mats to sit on.

This bathing beach is essentially for the people and therefore profoundly different from the European beaches. All the young people in the water are of humble and even poor circumstances. The lack of an upper class, which was sacrificed during the reforms of the Meiji period, is universally noticeable in Japan, and we see here that the crowd is almost completely proletarian. It is impossible to indulge in luxury. For the maximum payment of fifteen sen—about five cents—you get all that the best *tchaya* of Tobo-no-Hama has to offer its clients: tea, a narrow retreat behind a flapping curtain in which to change into your bathing suit, and a mat on which you can lounge all day without being molested. Each person takes his own meal in his *furoshiki*, the silk or cotton handkerchief in which every Japanese, rich or poor, wraps up his packages and provisions. The food is simple, light, and the same for everybody, with only imperceptible variations. There are no papers, no boxes left after the meal. The lacquer bowls and the thin shavings of white wood that are used to cover the food are carefully put back in the *furoshiki* without any grease or wine spots on them. This whole nation of modest children came here by bus and even by taxicab, ten people hiring a single vehicle and dividing the expense. The automobile is for everybody and private cars with or without chauffeurs do not exist.

The exhibitionism of our beaches is unknown because even at dusk it is too hot to sit on the sand. Nobody has any other desire than to go into the water and stay there as long as possible. The bathing suits are all alike, cut in the American style, comfortable, and perfectly decent. Everything seems to be made for simple, innocent pleasure without any *arrière-pensée*. There is nothing for vain, debauched, or extravagant people to do but to

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stretch themselves out on the mats and admire the sinking sun, which sets the horizon on fire and transforms the countryside. Night falls gently. The beach becomes empty. From a great *sampan* decorated with lanterns that bear advertisements, in Chinese characters, of *asupirinu* (aspirin) the sounds of the *koto*, a Japanese musical instrument, rise into the still air. College students who are camping at the foot of a little near-by temple light a fire to cook their potatoes. A red light illuminates the sacred portal and the cornice of the temple and a statue of the god Jizo, incarnation of charity and consolation to sorrowing mothers and sterile women. Under the rising moon the water turns dark blue, almost black. It is as if we were watching Sumeyoshi-no-Kami, the god of Japanese poetry, rise from the tranquil waters.

THERE is a famous old Japanese drama that represents Sumeyoshi-no-Kami as a humble fisherman, a brother of the fishermen of Tobo-no-Hama, appearing before the Chinese poet Haku, who had come to Japan to teach poetry. But Nippon had composed verse before Haku arrived; 'for,' said the god, 'with us there is hardly anything alive that does not possess the gift of song.' He then assumed his real aspect as a superhuman creature. He called to his aid all the other gods, 'those of Ise and of Iwa Shimizu, of Suwa (Nagasaki) and of Netsute, and the goddess of the Island, the daughter of Shakara, king of the dragons of the sea.' And all these gods began dancing on the sea and the sleeves of their ceremonial robes, the large, long Japanese sleeves, fanned a magic breeze. This dance is known as the 'green, sea-colored' dance. A tempest arose, redoubled its vigor, filled the sails of the Chinese bark on which the learned poet Haku had come to Japan, and the bark departed for China, just like all ships that have tried to drop anchor in Japanese waters. 'In truth,' affirms the final chorus of the drama, 'the god is marvelous, the god is marvelous, and thou, our prince, may thy reign be long over our inviolate country.'

II. Famine in Japan

By 'Japonicus'

Translated from *Je Suis Partout*, Paris Topical Conservative Weekly

TO FORM a sound judgment of Japan's domestic policy one must concentrate chiefly on the economic situation. The general disturbance of mind is simply the result of financial distress.

The word 'famine' would seem an anachronism in a country so thoroughly organized as modern Japan, and I am amazed to find myself writing it. But the truth is that people are now dying of hunger, at least in certain prefectures. During 1931, the rice harvest declined throughout the nation, disastrously so in the northeast. Investigations by competent authorities show that of 1,853,250 acres cultivated in Hokkaido, the northernmost of the four islands, 162,799 acres produced nothing whatever. Of the remaining acres, 438,620 produced about

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thirty per cent of the usual harvest, and 864,568 an average of forty per cent. In the prefecture of Aomori 7,413 acres yielded absolutely nothing, and the remaining 150,236 yielded 54 per cent of the normal harvest. The year 1931 yielded the worst harvest since 1869. When we remember that rice is the backbone of the Japanese diet and that even in normal years Japan has to import food from abroad, we can see the extent of the catastrophe.

But misfortunes never come singly, and the sale of silk declined in 1931 and has continued to slump during 1932. The United States, Japan's chief client, had to cut down its purchases because of the grave economic crisis there. It also insisted on paying less, and Japan, in order to make any sales at all, accepted lower prices. Both silk and cocoon prices have declined. This spring the selling price of cocoons fell below three yen ten sen per kwamme (a kwamme is the equivalent of 8.26 pounds), the lowest price in 1931. This decline has continued and the likelihood now is that the price will fall to two yen forty sen, a record figure for all time, at which the peasant would lose one yen per kwamme. Silk culture is the chief activity of certain prefectures. Silk in all its forms is one of the few commodities that Japan can sell without having to purchase raw materials abroad, and thirty per cent of all Japan's exports are silk. Local consumption is also considerable.

The extent of rural suffering is heartrending. Peasants in districts affected by the famine have been living for some time on fern roots, and they are now eating dried rhubarb, wild radishes, and rice husks. Many people have died of undernourishment or as the result of the bad food they have eaten. The authorities in the prefecture of Aomori have had to establish medical centres where poor people come to be cured of new diseases caused by hunger. High officials in the Ministry of Agriculture and Forestry have investigated all the prefectures where there is a food shortage. The report of the official who investigated Nagano, renowned for its summer resort of Karuizawa at the foot of the active Asama volcano, includes this passage:—

'Many villages live in a state of destitution below what we have always considered to be extreme poverty. Conditions are such that thefts of rice, sugar, salt, soy-bean sauce, and all kinds of food are no longer the exception but the rule. Since January the police department has been unable to keep the situation in hand. Even in the city of Ueda, one of the most important grain centres in Japan, business is done by barter. In most of the villages a fifty-sen piece is a rarity. Everything that could be eaten has been consumed, including wild berries.'

Not only is the prefecture of Niigata one of the richest rice centres in Japan, but poets have always celebrated the beauty of its women. Here is an extract from an official report:—

'Between 80 and 90 per cent of the revenue in the prefecture of Niigata comes from rice-growing. Now, however, nobody except a few big farmers has any rice. The peasants, having nothing left to sell, are selling their daughters. A girl in her third year at primary school, about eleven years old, is worth a hundred yen, while a girl of fifteen who has finished primary school commands the price of four hundred yen. Hundreds and hundreds

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of families have sold their daughters to proprietors of public houses. One's imagination is staggered.'

The *Fujin Koron* writes as follows: 'The prefectures of northern Japan are renowned for the beauty of their women. Those of Akita and Yamagata provide most of the women who inhabit the houses of pleasure in the principal Japanese cities. The number of young women who enter these houses never exceeded seven hundred a year up to two years ago, but last year these two prefectures exported fifteen hundred unfortunates. The prefecture of Aomori, which used to furnish an annual contingent of three hundred young women, provided more than five hundred last year.

'In the prefectures of Akita and Yamagata there are many villages with no more girls of marriageable age. In the village of Nishi Okuni in the Mogami district of Yamagata all women between the ages of fifteen and twenty-five, numbering two hundred and fifty, have departed. The population of this village numbered 4,714 people, of whom 2,322 were women.'

THE official who visited the prefecture of Iwate told how a little boy who was attending the village primary school asked him, 'Are people in the other parts of Japan suffering as we are? Is there any region where one can eat one's fill? At home we are now eating cakes made of grass. Last year only animals ate them.' And the official observed, 'At the village school bowls of rice are distributed from time to time to children who are too badly nourished. On seeing the rice, the poor little children fight for it like ravenous beasts.' In the neighboring prefecture of Aomori five thousand children go to the village school with no lunches and without having had any breakfast.

The official observer for the prefecture of Iwate also regrets that so many girls are being sold to pay their parents' debts. 'It is only too easy to imagine the road these unfortunates take.' And the same thing happens in Nagano, Akita, Aomori—in all the provinces laid waste by famine. The most odious element in this sale of children is that it reveals an agreement among all the miserable purchasers. They never pay more than four hundred yen and they pay that only for a girl of fifteen who has finished primary school.

Before arriving at that point some peasants burn their houses in the secret hope of collecting insurance, but there have been so many fires that the insurance companies refuse to pay. Their humanity is confined to not suing the incendiaries, who are now more unfortunate than ever. The luckiest people are arrested for theft, since prison is preferable to the martyrdom of hunger. But prisons will not receive people guilty of ordinary misdemeanors.

Families are dissolving. Husbands and wives are separating, children are abandoning their parents. This agony on the part of the Japanese peasant cannot go on forever. Some say it is temporary, that a bad harvest is not necessarily followed by another bad one, and that a year of depression may be followed by a year of prosperity.

But there is also unfortunately the question of peasant debts, the liquidation of which remains insoluble because they amount to so much, and more especially because of the usurious interest rates demanded by lend-

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ers. The last serious investigation of rural debts, made by the Mortgage Bank of Japan, dealt with how much money had been lent to the peasants up to January 1, 1930. On that date, the Japanese peasants owed a total of 4,585,378,000 yen. According to experts connected with this bank, these debts have increased at the rate of six hundred million yen a year, bringing the total indebtedness to 5,785,378,000 yen on January 1, 1932. There are 5,576,000 families of peasants in Japan. The average indebtedness per family is therefore a little over a thousand yen.

The Ministry of Agriculture and Forestry corroborates this estimate. According to its statistician, the average peasant family at the end of 1927 owed between 750 and 800 yen. To-day this sum must be at least a thousand yen. But the hopeless part of the situation is that the Japanese peasant often makes less money than the interest he owes and rarely makes much more. Although the apparent interest rate on these loans is around ten per cent, the real interest rate is actually much higher. According to the Mortgage Bank, 56.46 per cent of the loans made to peasants appear to bear an interest rate of twelve per cent, but actually bear a rate of 20, 25, or even 30 per cent. In order to keep the ball rolling the lender constantly increases the total debt, depending on how much interest he wants to receive. Meanwhile, the peasant sinks deeper and deeper into poverty. It is these loans that cause all the rural trouble, and unless the usurious lenders feel the rude hand of Japanese justice descending upon them the situation cannot be remedied. The total amount of debts keeps rising, along with the interest rate. Not only is the peasant unable to pay any more interest; he now cannot even borrow more money. What will be the outcome?

Besides the debts in the countryside, there is also an industrial and trade depression in the cities. The promoters of the Manchurian adventure regarded it as a simple police expedition to suppress Manchurian bandits. The aim of the Shanghai affair was to protect the lives and property of the Japanese in Shanghai. It was also supposed to break the official boycott of Japanese goods. In case it succeeded, Japanese business was going to profit.

The Japanese armies may have been successful, but these two affairs have not yielded any immediate fruit. Undoubtedly Manchuria will pay in the long run, but not until the distant future. At the moment Japan is paying, and with a vengeance.

FOR Japanese business is in the doldrums. China, one of its chief clients, refuses to buy Japanese merchandise. It is organizing a methodical boycott, the most terrible it has ever declared. 'To halt and overcome the domination of the Great Powers, there is no need to resort to armed force. You only have to stop buying their goods. That is enough.' This is the lesson that is being taught in the Chinese schools, and the above passage is quoted from a book entitled *New Manual for the Diffusion of the Three Principles*. And, in respect to Japan, here is the proposal made in the *New Selections of Chinese Texts for Beginners:* 'The most effective and useful means of raising the standard of revolt against Japan is peaceful resistance. This

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means that the Chinese must not provide the Japanese with anything that they demand and that they must not buy anything that the Japanese offer. If China can put this economic blockade into effect it will easily be able to bring Japan to terms.' The application of these principles has dealt a mortal blow to Japanese business in China. An investigation made by the Japanese Ministry of Commerce and Industry shows that in 1931 Japan lost its place as the chief exporter of goods to China, its successful competitors being, as luck would have it, Great Britain and the United States. The total exports of Japan to China amounted to 155,751,000 yen in 1931, a decline of 40 per cent from 1930 and a decline of 55 per cent from 1929.

The decline, which was moderate until the occurrence of the Manchurian affair, has taken on alarming proportions since last October. Comparing the figures for the corresponding months of 1930, we see that Japanese exports declined 33 per cent in September, 65 per cent in October, 79 per cent in November, and 80 per cent in December. 'The economic depression,' so runs the ministerial report, 'seemed to reach its culmination in 1931. One of the outstanding features of the year was the official bankruptcy of Germany. Great Britain's abandonment of the gold standard was also important, and these two events profoundly affected business and industry in every country. A considerable decline in foreign trade has been under way, accompanied by industrial stagnation and increased unemployment. Prices have dropped rapidly. In so far as Japan is concerned, this country has been doubly affected, since it has not only suffered from England's abandonment of the gold standard but is still being affected by the results of the 1923 earthquake. Last year Japan was directly affected by the universal depression. Moreover, many factors peculiar to the country aggravated the situation, among them the Manchurian affair and the anti-Japanese movement in China. The anti-Japanese movement in China and England's abandonment of the gold standard cannot be treated with disdain. England's action hurt Japanese business with European countries, India, East Africa, South Africa, and Australia, all of which were accustomed to dealing in pounds sterling. It dealt a terrible blow to Japanese business wherever Japan was competing with England.

'There have been frequent anti-Japanese movements in China, but the present movement is the most methodical and profound on record. New industries have even been created in China in order to combat Japanese business more effectively, and they threaten to displace Japan permanently. One can do nothing to counteract them. Anti-Japanese movements are illegal and ought to be combated if Japan wants to revive its industry. This process of extermination should be undertaken in order to establish permanent good relations between the two countries. In short, the outlook for 1932 from the economic and commercial point of view does not seem to indicate any rapid or noticeable improvement.'

THE boycott of Japanese goods that went into effect in Shanghai because of the hostilities of last winter has extended to Singapore, where it has developed tremendously. It has also

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spread to all the southern parts of China and to all parts of the South Seas where Chinese business predominates. The Chinese Chamber of Commerce in Singapore is raising large sums of money to finance an anti-Japanese campaign. Commercial transactions with Japan are likely to be completely blocked. The number of unemployed in Japan is continually increasing. The official count is less than 200,000, but a man only has to work three days a year to be regarded as employed. In actuality there are nearly a million workers who have no jobs and receive no relief.

If the misery in the country districts is great, misery in the cities is no less intense. Here, too, the situation seems to have no solution. For circumstances are independent of the men in power. Foreigners cannot be forced to buy Japanese products in order to give work to Japanese workingmen. Thus poverty reigns in the country, in the cities, everywhere. No wonder the masses are disgusted with a Government that cannot remedy the situation. Suffering as they are, the Japanese people would like to turn toward those who are outlining a new social order based on socialist theory, but only a few workingmen have adopted this desperate solution with determination. The rest of the unfortunates, whether they work on the soil or in factories, are rallying about the imperial throne. 'A lighthouse in the tempest, a light in the darkness, a dispenser of unnumbered benefits at all times.' The young Mikado sympathizes in his generous soul with the misery of his people. He does what he can. But events to-day have passed beyond the control of the sovereign's sensitive heart. What does the future hold for this nation whose present condition is so sombre?

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Persons and Personages

Herriot, Champion of Compromise

By Harold Laski

From the *Daily Herald*, London Labor Daily

M. HERRIOT is a Radical Socialist, by which is meant in France that he stands by the Revolution of 1789, and is for the secular Republic against clerical domination. He is for the little man of commerce against the big monopolies, for reasonable social legislation against the laissez-faire state. He stands for peace (of course, in the abstract), and for a general European conciliation (naturally saving the rights of France). His Radical Socialism makes him about as left wing as Sir Herbert Samuel.

There is much that is attractive about M. Herriot. He has done some fine work in the municipality of Lyon, where he has been mayor for years. They think of him there much as Birmingham thought of Joseph Chamberlain. If it is too much to say that he found a desert and made it a city, at least he awakened it to a civic self-consciousness more profound than that of any town of France. In this aspect no observer can do other than sing his praises.

He is, moreover, a man of profound culture, widely read, interested in learning, with a respect and taste for scholarship. He can write with considerable charm—as witness his admirable study of Madame Récamier. He is happy in the society of cultivated people. He can speak to savants and critics in their own language. The tradition of French literature—a very great tradition—means much to him. He is, too, a friendly person. He always wants to carry you with him. He hates conflict, the hard and fast line, the determination to have no compromise.

There is nothing about him of M. Poincaré's stern, vigorous, unyielding logic. He does not hate anybody, as Clemenceau hated Germans, as Tardieu hates Socialists. He is not obsessed with his own importance. He has never thought of himself as an indispensable man. He is not a very good fighter. He rarely sees things clearly, and he shrinks from opposition. When he encounters difficulties, his tendency, if possible, is to go round the corner. He does not die rather than surrender.

He is very susceptible to the gusts of opinion about him. Tell him that he is yielding to the Socialists and he remembers the tender respect of 1789 for the rights of property. Shout (like the French nationalists) that he is selling the pass to Germany and he is capable of out-Tardieuing

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Tardieu. He lacks constancy and determination. What he will fight for to-day is no real index to what he will fight for to-morrow. There are in him an inherent weakness and instability. At bottom, he is a Frenchman rather than a European. His radicalism is intellectual, as is his pacificism; emotionally, he is a patriot in the traditional sense of the word.

He always wants to do the right thing; he is rarely certain of the right thing to do. Finance he does not understand; and he is easily overborne by the expert and the man of strong opinions. In a crisis, he tends to lose control of himself, and that tends to make him yield to the men who express themselves most strongly. He is puzzled and bewildered by the scale of international politics; they lack the simple horizons one can see from the town hall of Lyon.

Like Woodrow Wilson, the politics he represents belongs to an age that is already past. The two chief things by which he is moved—the fight for the Republic and the importance of the secular state—are already dead issues in France; their opponents may be noisy, but no one can make them significant. His economic liberalism has been rendered obsolete by the modern conditions of world trade. To confront the Comité des Forges with a plea for the small proprietor is like confronting a machine gun with a rapier.

M. Herriot, in a word, stands for the compromise of the middle way at a time when its good will is at a discount. His policy is to put butter on the claws of the lion. Economize enough to show the big men that you are not pandering to the proletariat; tax the big man enough to show the small that you are not the creature of the millionaire. Disarm sufficiently to irritate the militarists; do not go far enough to enthuse the pacifists. Pursue the politics of appeasement, but never go so far as to risk the accusation that you endanger the safety of France.

I put the fine sentences of M. Herriot into the brutal facts they represent. He is not an orator in the sense of M. Briand or his curious colleague, M. Paul-Boncour, a Socialist of the J. H. Thomas school. He has an instinct for the fine phrase, a certain pleasing rotundity, but he never carries you along. He is rarely definite, because he is always halting between two opinions. His speeches leave one in confusion because he is always making, or trying to make, the best of incompatible worlds.

What is the secret of his leadership? I suspect, so far as his party is concerned, that each of its sections believes it has his allegiance. M. Chautemps thinks he is a man of the right; M. Daladier thinks he is a man of the left. Neither is wrong, because M. Herriot himself simply does not know. He would like both to coöperate in a policy that commands the confidence of everybody.

Why did he emerge victorious from the recent elections? Because the French people, I believe, wanted a left government, but were not yet

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prepared for the advent of a Socialist ministry. They said, as clearly as they could, that they wanted M. Herriot to coöperate with M. Blum. But M. Herriot was terrified at the price his party might have to pay for Socialist coöperation. He could not bring himself to take the risks. He preferred a government that no one could accuse of having any special complexion. To the right he could insist that there were no Socialists in it; to the left he could argue that if it defeated him he would be driven to embrace M. Tardieu. Lacking the instinct for precision and tightness of thought, he has chosen to perform an egg dance in a situation that calls for omelets. The experience of 1924 suggests that he is not the most skillful of performers at that game; and I miss my guess if we shall not have M. Tardieu back before long.

One can see the characteristic Herriot at Lausanne. He knows that Germany cannot pay; and he knows that no German Government dare offer, in any serious way, to go on paying. The only feasible policy, as his own colleague, M. Painlevé, has said, is that of the clean slate. A bold and determined man would plump for that and tell his people that there is no alternative. But M. Herriot cannot bring himself to be bold and determined. He must hedge. He must try to find something that enables him to argue to one group that reparations are dead, and to another that Germany must still pay something. Doubtless he was aided by Mr. MacDonald's inability to stand firmly by the policy of the clean slate. M. Herriot saw that he might get something out of Mr. MacDonald's love of labyrinthine formulæ. So he risked the breakdown of the conference to make the best of both worlds.

He is a good man struggling with adversity and his own temperament. In a world of peace and prosperity he would have made an amiable prime minister. In a minor post he would have done admirable work. But he was not built for the titanic issues with which he has to grapple. You cannot ride a tiger unless you have the tamer's art.

The Credo of Heinrich Mann

By S. Kracauer

Translated from the *Frankfurter Zeitung*, Frankfurt Liberal Daily

HEINRICH MANN'S latest book, *Das öffentliche Leben* (Public Life), is a collection of essays, speeches, sketches, and newspaper articles that were written during the course of the last ten years. These pieces, which are gathered into loose groups, touch on the most varied provinces of life. There are obituaries of Stresemann, Pavlova, and other deceased persons, and essays on Berlin housing and the function of the criminal

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police. Sketches of Paris are mingled with impressions of dress rehearsals and a consideration of modern literature; discussions of anti-Semitism and judicial responsibility shed light on our domestic situation; autobiographical sketches lead us into Heinrich Mann's private life and then back into public life again. Varied though these subjects are, they fit in well with each other because they are all the expression of a unified and complete attitude toward life. This attitude is not to be found merely in the convictions expressed, but is intimately allied with the high opinion that Heinrich Mann has of the writer's profession.

'The language used in a book is the unmistakable sign of the author's mental attitude and ability—and of the length of time they will endure.' Only a writer could speak thus of language, and Heinrich Mann's shows that he arrives at thought through words. His prose is clear and lucid but does not move on that level plain where there are no shadows or demons. On the contrary, it inhabits a rugged territory that conceals plenty of darkness. But though it does not ignore the darkness it does not linger there. It uncovers hollow spaces with rumbling depths, and his concise sentences are broken by wide gaps over which one must leap. The diction does not flow steadily but is constantly broken. And beside the dark depths of the chasms certain sentences sparkle like cut stones.

His literary knowledge is also evinced by countless thoughts on the writing profession. Heinrich Mann draws a sharp line between reporting and novel writing. In contradistinction to reporting, which is true to reality but misses the 'meaning of life,' he characterizes the novel as follows: 'Great novels are always and without exception overdrawn, greatly exaggerated in respect to the measure and laws of reality. Human thoughts and feelings are stronger and more decided, destiny is mightier, and things and events stand out more strongly in an atmosphere that is at once lighter and more exciting than reality.' The merit of such a formula is that it fits the literary labors of the hour. It puts reporting, which has tried to press into the foreground, back into its proper place, and shows the significance of the novel.

In a backward glance at his own course of development Heinrich Mann explains the conception that he already held of his labors as a young man: 'With them he entered the service of a power that he characterized in various ways, usually with the word "intellect."' This characterization still holds good; indeed, it serves to determine the mission of the writer, who has been defined and extolled by Heinrich Mann as the defender of the mind and the champion of intellectual freedom, with as much accent on intellect as on freedom. One of the speeches against censorship in this volume contains the sentence: 'Intellectual freedom, or what remains of it, must be protected,' and the German Academy of Authors is urged to undertake this task first of all.

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According to Heinrich Mann, the struggle for intellectual freedom that devolves upon writers is equivalent to the struggle for democracy. Since he considers the virtues of skepticism, clemency, and the will to compromise preferable to fanaticism and any sort of extremism, he believes democracy to be the only political form that accepts the intellect and protects it from violence. He extols Stresemann and explains that the Russian experiment 'could never succeed on the basis of our life as it exists as present.' The source of his political feeling is evidently less a passion for politics than a passion for the mind. 'Finally it became clear to him,' he says in looking back on his own career, 'what purpose he was bringing to life as it really is. It was the same purpose he had in his work—to be true.' He became a political writer, an advocate of democracy, in order to realize what he calls truth of mind. And whenever he entered the arena in this cause, it was not as a politician, but as a champion of the intellect.

IT IS an unusual thing for a German writer to try to carry the intellect over into reality and thereby establish a connection we rarely succeed in forming. For most of our creative writers limit themselves to literature and do not bother about reality, as if art could develop without reference to the world in which it exists. Through his political writings Heinrich Mann is trying to bring the two spheres into a true relationship to each other. I do not mean to belittle his labors if I call attention to a difficulty that he encounters again and again. This difficulty has to do with the fact that he concerns himself less with the real elements of power and with current economic and social conditions than with a general conception of intellectual freedom whose acceptance obviously depends on certain conditions. Disregarding these conditions, he works out theoretically an absolute conception of the mind and of a democracy corresponding to it, but he often fails to evaluate correctly the real forces that must precede any political action.

In a speech delivered before the Protective Association of German Writers he proposed a common struggle of all associations of writers against censorship: 'A political committee formed of representatives of all our organizations—and I wonder whether the censorship, legal as well as illegal, that is creeping up on us could survive a single day.' But so long as the intellect bows before political interests in various forms such a proposal is vain. For a political instrument like censorship can be removed only through political means, and not merely through a firmly resolved mind.

Another passage characteristic of Heinrich Mann's attitude is an opinion expressed apropos of Franco-German relationships: 'Unfortunately the relations between two countries always fluctuate, not for any

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good reason, but according to the wishes of diplomats or, one might better say, according to their abilities.' As a matter of fact, this fluctuation is due not to the wishes of diplomats but to the far from arbitrary relations between groups and parties of whom diplomats are not the only representatives.

Perhaps the reason why Heinrich Mann fails to recognize certain necessary political conditions that must be taken into account is that he is a perfect example of the kind of man he wishes to bring into existence. For he certainly exemplifies a type that might serve as a model to-day. If democracy had more men like him we should have been spared much. For who is this writer? A friend of enlightenment, a disciple of reason. That in itself requires no comment, but in a time in which reason has such powerful foes, allegiance to reason is in itself a most hopeful sign. But there is also a bad kind of enlightenment—the kind which tries to dissolve and deny all stability. The gaps between Heinrich Mann's concise sentences show that he is willing to leave what cannot be solved in its place.

From a full life that has absorbed the elementary powers into itself, he looks back with scorn on his youth, when people acted on elementary emotions and preferred to settle arguments with firearms. He wants a united Europe; his aim, which he feels can be reached by the German Republic, is the end of exploitation. It is not as a rational being that he warns the people to give ear to the 'call of the precipice,' but as the author of *Göttinnen* and the novel, *Die kleine Stadt*. And he who has heard this call says: 'We must desire a Germany of reason that is skeptical, knows clemency, and therefore has no concern with petty affairs.'

Mussolini and Emil Ludwig

By Ludwig Bauer

Translated from *Das Tage-Buch*, Berlin Radical Weekly

HERE is a book that will make a big stir if it is not lost in the crash of our collapsing world—*Mussolini's Conversations with Emil Ludwig*. That would be a misfortune both for the world and for the book, which is interesting in almost every line, and still more interesting for what the thoughtful reader can find between the lines. The Italian dictator, the idol of all misguided and despairing souls, talked with Emil Ludwig every day for many weeks about himself and his problems of government and power.

Permit me to begin with a few unavoidable personal observations. Of the two men who exchange their thoughts in this book for the benefit

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of readers, I consider Mussolini a man as important as he is pernicious—very important and very dangerous. And I value Emil Ludwig equally highly as a writer and as a man. So I was troubled when news first came to me of these conversations. On the great battlefield of our time Ludwig has stood in the scattered ranks of those who are fighting for the intellect and for freedom. It seemed as if on an evil day he might have gone over to the other, the stronger side. And it was also possible that, attracted as he is to strong, clearly defined personalities, he might have been captivated by Mussolini's charm. Ludwig is an artist, and the stand he takes is determined more by the limitations of the eternal past than by an inner compulsion. Moreover, he is always more interested in individuals than in what they are striving for. He might have been led astray, he might—the danger was great—have given in and used stock phrases in a petty way. And, since truth is dearer to me than the dearest friend, I should have spoken out if this had been the case, sorrowfully, but without hesitation.

But Emil Ludwig avoided this danger with the skill of a sleepwalker. Of course, he was not in a position to yield to the temptation to maintain his own point of view; his task was to entice the leader and betrayer of Italy out of himself, to bring him into the light and consider his personality from all sides. This required both skill in questioning and reserve in answering, both modesty and dignity. My view of Mussolini differs from Ludwig's in many respects, but I acknowledge with relief that an interesting but difficult and thankless task has perhaps never been accomplished with more tact and skill.

IT IS now high time for us to turn from our friend to our enemy. Mussolini fundamentally rejects tolerance and justice; I fundamentally indorse them. I must therefore immediately confess that much that Mussolini said reveals a man of high calibre; much, too, of what he left unsaid, of what another would have said in his place for propaganda purposes. For he engaged in these thousand and one minutes of conversation simply because he knew that one of the most successful writers in the world was sitting before him, that their conversation would be read by millions of people in all countries, that he would appear as he chose to show himself, and that this was an opportunity to conciliate patriots by telling them that he had always thought only of his Italy. He did not do this, and the only praise he gave his people was his recognition of their especial military abilities—somewhat equivocal praise that is of doubtful truth, to say the least. He felt that he was a leader; he had it in him to rule men; he felt the same urge to do so that an artist feels toward his work. Therefore he made war and revolution. He had to form men in his own image, and, since he was an Italian, he subjugated Italy.

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When he speaks of Fascism, of the relations between capital and labor, of the education of youth, one feels that all this is of interest to him only in respect to himself; with his death everything will come to an end, even Italy. He wishes to see his own handiwork, that is all, and one must admit that Napoleon, in his primitive way, was more logical in wishing to found a dynasty. For, though Mussolini sometimes praises his fellow workers somewhat coldly, he says: 'I do not think that a Duce Number 2 will come—and, if he does, Italy will not endure him.' He seems convinced to-day that Duce Number 1 can remain, that Italy is so firmly shackled that it must endure him. Since he wishes to rule over Italy, his sole aim and purpose is to make Italy great and strong. For this he labors from morning to midnight, himself a captive in the great prison he has built.

A tragic, surprising, and in a higher sense conciliating aspect of this mighty personality, at once fascinating and repellent, appears in the suspicion of cynical hopelessness that lingers behind his words. For the tremendous power enjoyed by his present self is so superlative that nothing remains for the future; he takes little interest in fame, since there is no more for him to achieve. Napoleon was clearer, simpler, less divided and problematic. For 'he had only to end a revolution, not to start one,' as Mussolini says of himself. Revolution? On another occasion he cynically explains his use of this word as being due to the requirements of demagogy. His cynicism, which springs from a deep contempt for mankind, sometimes gives the effect of genius; his work never does.

The Duce's sincerity does not permit him to profess the fundamentally peaceful intentions that Ludwig would like so well to hear from him. He cannot say that he dreads war and that he would be overthrown on the day it was declared because Italy would then be delivered from the clutches of omnipresent soldiers. Like all true tyrants, he recognizes no ideas except his own single idea, which was, is, and will be that Benito Mussolini must rule more strongly to-morrow than to-day. For him war and peace, socialism and capitalism are purely questions of utility and tactics. He sees and thinks only in figures and in the strength represented by them.

Despite the impoverished condition of mankind, he waxes indignant over birth control: 'It is a diminution of national power! If I were to permit it everything would soon be private!' Nothing worse could happen than for everything to be private. Italians would no longer be his slaves; his subject hordes would no longer be numerous enough. So little does he think in ideas that all he can say of Briand is: 'He was no enemy of Italy's,' and that that intelligent man was ridiculous to feel as he did. In this connection he makes the grotesque assertion that Germany would not have dared attack France in 1914 if the latter had had 55,000,000

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inhabitants. As if Bismarck had not forced war in 1870, when the Germans were scarcely superior numerically to the French, and as if coalitions had not equalized differences in number a thousand times over.

HIS dialectic is often keen and fascinating, but it is clear that he always sees men as instruments, as *his* instruments. He dares to claim that 'the individual does not lack freedom in Italy; he has more of it than an isolated individual because the state protects him.' Yet real freedom means the protection of individuality, the freedom of the individual from the state. Mussolini boasts that he takes children when they are six years old and does not give them back again until they are sixty. He refers repeatedly to the dependence of the press in democratic countries, where newspapers are controlled by the financial and industrial powers. But he forgets that it is physically possible for an independent writer to appear and that the rivalry of different parties and interests forms a corrective.

As justification for the gagging of public opinion, he says: 'Besides, I create opposition within myself.' What dimensions his egotism has attained! Since he is everything, he himself must be his own adversary, and anyone who is not satisfied with that can go to prison. 'First they put me in them; now I put them in them. I find that wholly logical.' You see, it is purely a problem of power. It has never occurred to Mussolini that human freedom and dignity are indestructible values. Everything can be reduced to statistics, expressed objectively in figures. In this respect he resembles Kaiser Wilhelm, despite his incomparably greater intelligence.

Thus, measuring human greatness by a comparison between Cæsar and Jesus, he says: 'Jesus is the greater, of course. Think of founding a movement that has lasted two thousand years and has four hundred million adherents, including poets and philosophers.' None of the many thousands that Mussolini has imprisoned, tortured, and killed has ever said anything so formidable against him as this sentence that he himself has uttered and that will go out to people of all lands. These words reveal the Roman admirer and imitator of Cæsar as a barbarian who measures spiritual things purely quantitatively and interprets world salvation as a matter of propagandistic record. It reveals the primitive and brutal demagogy of a man possessed by a mad lust for power.

Before he deserted words for action this tyrant was one of the greatest journalists in the world. He started with intellect, and intellect is personality, and personality is freedom. But he organized brute force in order to throttle intellect, personality, and freedom, first with castor oil, fists, and bombs, later with spies, judges, prison wardens, an soldiers. He promised to perform the impossible: to create a richer and a happier

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Italy. Italy is not richer and happier. How poor and unhappy it has become the world will not know until the dictator who pleads his own cause in these conversations has had his last say. Matters have not yet progressed to that point; the technique of oppression is too perfect. But in Rome belief in a gifted savior has vanished from everybody but Mussolini himself, who is now trying to revive it with words, action having failed.

Does he still believe in himself, or has his craving for power become bureaucratic and automatic? Growing older and stouter, the dictator wishes above all else to remain in power, and that means peace. But he must encourage fresh hopes by resorting to violence again, and that means war. About him there exists some order and much bondage. All things come to him who waits. Where does all this lead? What is Fascism? A means. What is Italy? An opportunity. Mussolini's aim has always been to rule, to rule more strongly, more widely, more. He has never had enough power.

A short-lived, transitory, unessential aim—and there he sits in an endless hall, listening to what people are whispering to themselves all over the country and seeing if somewhere there is not some prey he can seize without danger. And there is Ludwig reminding him of the words of another great writer, his predecessor, Marcus Aurelius, Ludwig's own spiritual brother: 'Bear in mind that you are a Roman. Take care that you are also an emperor.' Take care . . . If Mussolini could ever understand men except in relation to himself, in relation to whether they can help him or hurt him, he would tell himself that his predecessor chose the better part. And while he continually talks of ruling, perhaps the words linger in his ear: 'Take care that you are also an emperor.' But it is too late. There is no retreat. It is very lonely in the evening in Mussolini's dark stone prison of the Palazzo Venezia. Do no shadows rise? Yes. Let us bow deeply before the shade of Matteotti.

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One of Germany's leading novelists introduces a young writer of great promise by copious quotations from his first novel, which has just appeared.

Heir *to* Remarque

By René Schickele

Translated from the *Frankfurter Zeitung*
Frankfurt Liberal Daily

CANNOT a book be described by a series of carefully chosen quotations containing two vital elements—the author's intentions as revealed in his treatment of the material, and his artistic skill as revealed in his style and construction? Let me try to apply this method to Walter Bauer's first novel, *Ein Mann zog in die Stadt*, in which a new and very powerful writer appears. The tone of the narrative remains full and simple from the opening sentences until the very end. Occasionally the author rises to pathos without, however, sacrificing any of his sober understanding, for restraint is Walter Bauer's chief virtue. Frequently the characters seem to cry out in pain, but Bauer himself remains quite tolerant. Here is the way the story starts:—

'The country was quite flat. Slow-running rivers and brooks traversed it. Everywhere the corn grew to the same height at the same time. No more rain fell in one place than in another, and nothing was protected from the wind. A little eminence no higher than a gentle hillock was called a mountain. From it one could survey an expanse of country as flat as the sea. The sky came right down to the edge of the plain. . . .

'Years ago a man left the village for the city. His name was Hermann Reinhart. He was a second son and had served as his older brother's hired man for a few years, for when their father died he had given his little farm to the oldest son. But now Hermann had no more desire to be a hired man on a farm. He wanted to go to the city. . . . He was a simple man. His hands were more deeply lined than his heart. His mind worked slowly, words did not flow readily from his mouth, and those that came were easy to number. He had never thought of the

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future, because to the farmer the future means the return of the harvest, and the harvest kept recurring. During his last year on the farm Reinhart married a girl who had come from another village as a servant but who did not want to remain a servant. Her name was Ella and she was so healthy that Reinhart mistook her health for beauty. She talked more than he did and that pleased him.'

Later Reinhart is described carrying stones on a construction job in the city. 'The week passes this way until Saturday. Certain moments are beautiful and Hermann and Ella live for them. There is Friday evening, for instance. The workers stop at the end of the day and go to the office. The foreman gives them their wages. Hermann receives his yellow pay envelope, thinks a long time, and counts the money. He has earned this. These coins and paper bills contain a definite something, a whole week, and a week means getting up in the dark, going to work, laboring, carrying thousands of stones, and always building new houses, for houses are insatiable and eat up stones at a terrific rate. The week includes all these things, as well as a tired back, worn hands, and eyes that burn with red dust. Every day he works ten hours. Now it is Friday and accounts are being settled. He has earned his pay. Some of the workers celebrate when they get their money—the simple countryman thinks they are rejoicing at receiving so much—by stopping in at a smoky little barroom where they stand about drinking. But the countryman goes straight home. He has put his yellow pay envelope in his pocket and his hand, too. It seems like a lot of money to him. He is from the country, where people have different ideas about money, where money has a different ring because there is less of it. Friday is beautiful but Saturday is more beautiful, and on Sunday comes complete rest.'

PRESENTLY complications occur, reducing the married couple to poverty, to real, ceaseless city poverty, and they also come to feel the strange, overpowering state setting itself against any rebellion on the part of an individual, or even on the part of a determined minority.

'When the winter was over Hermann and Ella were familiar with city life. Those long months had raised a kind of wall between their previous and present way of life, utterly preventing them from even wanting to return to the village. They had been through experiences that they had not wanted to undergo, experiences that could never have befallen them in the stillness of the countryside. But one experience above all others made it impossible for them to go back and live in the village as they used to do: they knew that they were poor people, a fact they had hardly realized before.'

When the winter was over Hermann got a job as a lineman on the railway, but he still walked as if he were crossing plowed fields. 'There were no more plowed fields. They had been turned into stone, and seed will not sprout from stone.'

Children came. They were not bound to the land by their navel cords as their parents had been, and thus they lacked the only tie that really binds, even though it withers away. The children were city products without any ancestry, which meant that they were poor and proletarian.

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At this time their native village was being devoured by industry. 'The last time Hermann had been out there, two years ago, he had heard the rattle and roar of the mine shaft more distinctly. . . . Now that he was out there again he had four children with him, and a fifth was already growing in the mother's womb. Ever since Hermann had owned horses he had lost all desire to return home again, and he never said, "We shall go home," for home meant where the children were growing up. Instead he suggested one day, "Let's go to uncle's." . . . When they came to the end of their journey and arrived at a fence overlooking the fields they heard the noise of machinery in the mine shaft below. It sounded like incessant gun fire. During the past year the noise had been coming closer. "At first," said his brother, "they bought the land on the other side but they found there was not enough coal there to make it pay. Now they are coming closer to us, but the teacher says that we shall not be affected. There is no coal under our property."' But the teacher was mistaken. A day finally came when nothing was left of the village. The mine had swallowed up everything—houses, farmyards, and fields.

Then came the War. It seemed to have no end. 'The trains no longer go by the house in one direction only, making the china in the cupboards rattle. They are slowly coming back. In them are the remains of the War, its harvest, and the city cowers under the smell of Lysol. Hermann and Ella pitied the wounded but hoped that their own sons might come home so severely injured that they could not return to the front. Gradually, they got a picture of the War, but not from the newspapers, which continually maintained that the men in the opposite trenches were murderers and thieves and blackguards who deserved nothing but destruction. Soldiers would come home for brief periods of leave after having been under cannon fire that had lasted all day and all night and many days and nights. . . .

'If Hermann and Ella had seen how the vessels went down at sea they would have been worried that their son Willy was on board one of them that was like a floating city built for war. If they had seen Gottlieb crawling over fields in which no seed had been sown for years and which gave no harvest, if they had seen him lying in a pocket of earth while his heart stood still and bullets rained about him, what would they have done? Perhaps just what they did: nothing. They were too much concerned with the essentials of life to be able to conceive of doing anything different from what anybody else did. They made sacrifices and said nothing, but silence did not make up for the sacrifices. What they had lost had been taken away by whom and for whom they did not know. Willy died in action. It was a bitter day. They did not wonder whether he had died with a curse on his tense lips without thinking back over his life or whether he had died crying for his mother in a voice that would have made God Himself turn pale. They only understood that he would never come back, never, that he had done with living. The day does not last forever on which a black heart seems to rob heaven of all its splendor, on which the room overflows with sorrow and the faces of all the living turn into grimaces. Day sinks

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into night and the next day is just a little bit further away from the terrible thing that happened. At first they hardly spoke of him at all, because every word tore everything up again. Later they talked about him a lot, then only occasionally, and finally there only remained in their hearts the memory of a son who had fallen. The other children used up his clothes.'

LABOR disturbances followed, in the course of which the youngest son was killed. Then came the inflation. Everybody got poorer and poorer but the mine grew and grew. 'The farming district becomes an industrial district. Everything that has existed is destroyed. The land becomes useless and the fields have no purpose. Home is destroyed. But I don't believe that is so bad. Home is no more eternal than the Fatherland. And the worker, what kind of home has he got? Show it to me, for I do not believe you can find one anywhere. How many houses have you lived in, how many streets? What gardens belong to you? Home is not there. It must not be there if present conditions are to be changed. In the future men will love the earth again, perhaps even machinery, but it will be a long time before that happens, and it is better to say nothing about it. . . .

'The men came back from a long journey. They were changed. They had undergone experiences, not all of which could be told. They saw that the same mysterious individuals who had kept the War going for years on end were still alive and were trying to feed them on illusions. But illusions had afforded no protection against enemy shell fire. They wanted change, but how they could accomplish it they did not know. They tried this thing and that but nothing came of their efforts, and after a number of years everything had fallen to pieces. . . .

'As sorrows kept raining down upon his head the old man came to realize that perhaps the death of his son, of his youngest child, need not have occurred. It is possible to use machines for another purpose. They should not work for a few; they should work for everybody.'

His wife dies. The husband is alone in the city. 'He was an old man and had come to the end of his life without being able to say that he had made a success of it. He was alone, but that did not distress him much, for he knew that the end was near. He had nothing to do and now he was like his father, who, in his old age, after giving his farm to his eldest son, had watched other people doing things. But there were no more fields for him to look at and see whether the harvest was good or bad. But he could watch other things and enjoy them. It pleased him a lot not to have to get up so early in the morning, and leisure gradually made him frail. He ate and drank, got up and went out. He watched life going on without him. Beautiful, happy days. He went to the market. The peasants still came in from the villages, bringing their produce from the fields, unknown peasants from strange villages. But the smell of the earth that hung about their products was the same. He stood by a basket and bought a pound of plums. The trees that had borne these plums had grown from stones that the peasants had planted in corners of their gardens as children. But where can the old man put the stones to-day? The ground is paved. No seed can grow there.'

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Germany's great humanist discusses the moral justification of luxury in times like these and in countries like his. Americans who have shared his qualms may also share his conclusions.

Luxury *and* MORALS

By Ernst Robert Curtius

Translated from the *Berliner Tageblatt*
Berlin Liberal Daily

OFFICIAL morality during the past century, which really lasted until 1914, was bourgeois and ecclesiastical. It protected property, marriage, and social position. It enacted laws that affected only those who had no property, such as the one Anatole France ironically condemned: 'The law in its majestic equality forbids both the rich and the poor to sleep under the bridges of the Seine.' Even offenses against morality in the sphere of love life were sure to encounter public opposition and actual punishment. Everything that had to do with marriage was moral. Even the words 'illegitimate' and 'illicit' had immoral connotations.

And to a large extent they still have, though it can also be said that we are changing our moral values. Bourgeois decorum has lost its weight and worth; hence our moral sentiments have become more acute in quite a different field, to wit, the field of social responsibility or, as we prefer to say, community sentiment. The use that an individual makes of his property is no longer a matter of indifference to the new morality. Many of our best people are attaching more and more importance to a sense of responsibility toward the community, to the ethics of solidarity. They are getting rid of the bourgeois ethics of the past, which judged the conduct of one's neighbors by conventional moral standards.

There is no doubt about it, a new morality in respect to property and its use is developing. Even the owner of property, the rich man himself, is finally becoming conscious of this change, though perhaps he sees it falsely. By this I mean that even the property owners are feeling uncomfortable. Not that they have yet been disturbed by anything amounting to

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moral sensitiveness, but their naïve conception of property is being transformed. Nowadays the rich are ashamed of themselves. They feel obliged to cut down their expenses so as not to attract attention. No very noble motive animates them, and those who have no property and who attack wealth are not always spotlessly moral themselves.

But I do not propose to waste any words discussing the two sides of the case. I merely want to discuss the moral problem of property as it presents itself to-day. Speaking practically, the question arises, is luxury permissible? Can it be tolerated in the face of the mass misery that now exists? Is it, as the most earnest moral critics ask, ever permissible? Here we encounter a mass of difficulties. I shall not attempt to solve them, but merely to explain them.

WHAT is luxury? Is it everything that is not a bare necessity of life? In an absolute sense it is, but that does not get us anywhere, for such a definition would lead us back to a state of nature in which people lived on acorns. But there are cultural necessities, a civilized standard of living below which nobody should descend. Soap, sugar, coffee, heat were once luxuries, that is to say, privileges enjoyed by the few; now they have become necessities of life for all of us. At this point we encounter a sociological law. The thing that was once a luxury for a few can become a necessity for everybody. The spread of electric illumination and of public bathing facilities during the past few decades are cases in point. It is in this field that the most extraordinary changes have occurred.

It was certainly a luxury, in fact it was downright extravagance, for Louis XIV to spend a hundred million francs building the Palace of Versailles. Yet this magnificent structure was handed over to the nation by the bourgeois king, Louis Philippe. It has now become a museum for the most brilliant historical relics, and the Third Republic uses it as the setting for its presidential elections. The whole nation has come to regard this palace as a representation of its worth. Thus one can speak of a socialization of luxury. The same thing applies to private collections that are turned into public institutions, especially when private wealth is used to further universal culture, but the connections between luxury and culture are too numerous and too complicated to discuss in a few words.

The connections between luxury and economics are simpler but certainly no less significant. Twenty years ago Werner Sombart wrote a famous book that upset current theories of economic history by showing that modern capitalism owes one of its most powerful driving forces, one of its most influential factors of development to the luxury that prevailed during the sixteenth and seventeenth centuries. This theory of the relationship between luxury and modern capitalism had been partially worked out during the eighteenth century, but had been later forgotten. Of course there is always a certain inconsistency in the idea that private vice is synonymous with public welfare, but Sombart's book solved the economic problem of luxury, though the moral problem still remained.

Nor has the moral problem yet been solved. During recent centuries prophets have constantly arisen pleading

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with moral pathos for a Spartan or ascetic way of life, Savonarola and Rousseau, Tolstoi and Gandhi being typical in this respect. But the question still abides whether we are doing the human race a greater service by limiting our necessities or by increasing them. It depends ultimately on the value we attach to life in this world, on whether we accept or deny life, on whether we wish to build up culture or to destroy it.

LET me say in conclusion that anyone who flatly proclaims that all luxury is evil and therefore superfluous and useless, anyone who speaks in that way reveals that, from his shortsighted, utilitarian point of view, music, the theatre, poetry, and philosophy are superfluous and that even nature encourages luxury when it creates beauty. The highest values that life offers cannot be judged from the utilitarian standpoint, for usefulness in itself never possesses any value. If it did, swindling and all successful, undetected thieving would be regarded as valuable. Everything utilitarian is subordinated to the law of morality. There is such a thing as immoral profit and immoral luxury. But in a moral, energetic national existence there must be moral luxuries. Such luxuries must exist and assume full responsibility for themselves even in modern Germany if the country is to preserve its place among the nations of the earth.

The guiding star of coöperative effort, which shines over nations as well as individuals, stands for the international exchange of culture and pleasure goods. If the ideal of autarchy or economic nationalism is achieved—even assuming that this is technically possible—Germany will deliberately cut herself off from the life and culture of other lands. She will receive nothing from the rest of the world, and no doubt many Germans believe that we can survive that loss. But autarchy would also mean that Germany would have nothing more to give, and that would represent a political and intellectual loss that no one who really loves the Fatherland could desire. Even the terrible distress of the present time should not distort our perspective so much that, for the sake of a few pennies or deceptive slogans, we renounce our obligation to certain products that are all the more indispensable because their usefulness can not be estimated in black and white. We must not look at the problem of luxury from a purely economic, moral, or philosophical point of view. We must coördinate it with the great task of political reconstruction.

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The first of these two light essays is wholly frivolous and describes a new English game that will surely invade America soon. The other, ostensibly a satire, actually contains a subtle attack on our existing money system.

In Lighter VEIN

Two British Humorists

I. Yo-Yo, the Newest Fad

By Jan Struther

From *The Spectator*, London Conservative Weekly

'YO-YO?' said the deaf old lady, chipping bravely into a half-heard conversation. 'Is n't that a kind of Indian philosophy that makes people stand on their heads?'

She was, of course, wrong. Yoga is a philosophy and Yo-Yo is a toy. The two, however, have much in common: both look easy until you try them; both take years to learn and require infinite perseverance; both are things that it is better to practise in solitude; both are fascinating if you are interested in them and boring if you are n't; both originated in the ancient East and have taken the modern West by storm; and both, no doubt, have their niche in the cosmic scheme. Moreover, the dictionary distinctly states that 'Yoga involves the withdrawal of the senses from all external objects, long continuance in unnatural postures, etc.' So perhaps the old lady was n't so very far out, after all.

I am assuming, of course, that you know what a Yo-Yo is; that you have at least seen them in shop windows or in other people's houses, even if you have had the strength of mind to resist picking one up. But in case you happen to lead an unusually sheltered life, the following description, though inadequate, may help.

Take two medium-sized mushrooms, remove almost the whole of their stalks and join them together somehow by the remainder; paint one of

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them green and the other red (or blue and yellow is always pretty); hire a magician to transform them into wood; tie a yard of string by a running loop to the axle, wind it up, and the result is a Yo-Yo. All that remains to be done is to learn how to play with it. The easiest method of doing this is to get someone to show you; but if you have an academic mind you can obtain an instruction leaflet and study that.

'Thrills galore,' you read, 'await he who masters Yo-Yo.' (How small a kick, in comparison, does him get who overcomes the negligible difficulties of English grammar!)

Furthermore, 'Yo-Yo Reveals Character!' Eminent scientists, world-famous psychologists have, it appears, bent their brains upon the subject and have decided that as you Yo-Yo so shall you reap. 'The child or individual'—(*Q.: Is not a child an individual? A.: No, a thousand times no, in the name of our Public Schools*)—'the child or individual who will lightly cast aside the Yo-Yo without mastering it, will have difficulty in mastering life's problems, BUT the child or individual who, etc., etc. . . .' You grasp the idea.

'Tommy! Pick up that Yo-Yo at once and don't let me catch you putting it down again until you can do Over the Falls properly.'

'But father, I have n't begun my homework yet. . . .'

'Never mind that, my boy. Do as you're told instantly, and always remember it's Character That Counts.'

How well the advertisers know us; how subtly they take advantage of that great national characteristic—our craving to justify our amusements, our inability to waste time with an easy conscience. Horse-racing improves the breed; cross-word puzzles enlarge the vocabulary; jig-saws sharpen the powers of observation; and playing cricket has made us the best colonists in the world. (Or is it watching football?—I always forget.) Anyway, so far as Yo-Yo is concerned our consciences are now comfortably numbed by the local anæsthetic of the eminent scientists' pronouncement, and we can go right ahead and enjoy ourselves.

THE first thing to learn is how to make the Yo-Yo run up and down the string. The best way is just to pretend it is a rubber ball and try to bounce it; having first, of course, attached the other end of the string to your middle finger. If you are lucky, the Yo-Yo will come rushing up the string again and catch you a smart crack on the knuckles. If you are not, it will stay down at the bottom dangling heavily and gloomily like a very dead mouse, and you will have to wind it up and start afresh. That is, if you want to get on in the world and end up with an assured income and a motor-mower and one of the Little Palaces at Golders Green; but if you are one of those rackety Bohemians who don't mind about such things, my advice to you is to give it up while there is yet time, before you have tasted the dangerous joy of success.

For one thing is certain. There is a thrill in landing a salmon; there is a thrill in bringing off a neat right-and-left; there is a thrill in your first solo flight; some people get quite a kick out of writing a poem; and falling in love (they tell me) is fun. But none of these can compete with the sheer exultation, the intoxicating sense of power that comes to you when for the first time you feel yourself in complete

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control of a Yo-Yo; when it will roll up and down at your bidding a dozen, a hundred times in succession, humble, obedient, and faithful, like a good little dog that is always running back to lick its master's hand. *Down* and up, *down* and up—the rhythm gets into your blood. All day long you stand in a trance, you walk in a dream, bouncing it *down* and up, *down* and up. But do not, as I did, become an automaton by five o'clock in the afternoon and try to bounce your tea cup instead; for it will not come back.

There are, of course, more advanced ways of playing the game. There is Walking the Dog, for example, and the Airplane Trip, and the Figure of Eight and the Three-Leaf Clover. But I cannot do any of those yet, and what is more I have not seen anybody else who can, except Joe Young, the Boy Champion; and he, obviously, is not a boy at all, or even an individual, but a wizard. In any case, there is no sense in worrying about the other tricks when it is so soothing and so satisfactory just to go on bouncing it *down* and up, *down* and up.

Poor Yo-Yo. . . . Centuries ago, in the Philippines, you were a deadly weapon, an unseen terror that struck and suddenly from above and returned to the hand of the ingenious Filipino who lay stretched out lazily on an overhanging branch. Now you are enjoying a brilliant and feverish reincarnation as a popular toy, a champion time-waster, a godsend to the Canadian timber trade, a bond of sympathy—though frequently a bone of contention—between parent and child, between husband and wife, between the smallest office boy and the head of the firm. And in a few years' time, at most, you will be nothing but a pale, *démodé* ghost, wandering in limbo between a spectral Diabolo and a phantom Pop-in-Taw.

That's that. Now to type it out. *But what has happened to my typewriter?* The ribbon is missing, and so is one of the spools upon which it was wound—a round tin object like a flattened cotton reel. And outside in the garden I can see Benjie, his white blouse streaked with purple ink, his arm extended and his hand bouncing rhythmically *down* and up, *down* and up, *down* and up. . . .

Why did n't I give him the money to buy one when he asked for it? It would have come far cheaper in the end.

II. Three to Two

By 'Yaffle'

From the *New Leader*, London Independent Labor Weekly

CIVILIZATION has had a narrow escape. The Lords have given judgment in the Portuguese Bank case, by a majority of three to two. Let me recall the facts of the case, so that to-night, when you seek your couch, you may give thanks for your delivery. Messrs. Waterlows', the printers, had printed a large number of Portuguese bank notes on the order of a man named Marang, who presented himself as an emissary of the Bank. Waterlows' handed the notes to him and he apparently went back and

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began to circulate the notes in Portugal. The fact was discovered after a time by the Bank's finding that notes were being circulated with duplicated numbers, and the Bank, rather than risk a financial panic by repudiating the false notes, gave new ones in exchange. It then sued Waterlows' for compensation and the law had to decide how much the Bank had lost by the swindle. The whole question was reduced to whether the Bank had lost the full face value of the notes or only the cost of paper and reprinting.

On the first hearing, Mr. Justice Wright decided that £569,421 was due to the Bank. Waterlows' appealed, and the judges differed, two saying that the Bank ought to have £300,000, and the third that it ought only to get £8,992, the cost of paper and printing notes to replace spurious ones. The case then went to the Lords. Three judges decided that the Bank was entitled to recover £610,392, and two said it should only get the cost of paper and printing. On this case, therefore, which involves the financial basis of the whole economic system, we have had four opinions from nine judges. Thus: three said full face value; one said nearly the full value; two said about half the value; three said only the cost of paper and printing. Totals: Judges nine, opinions four.

From these opinions two conclusions have now been established: (1) that the law of England is divided on the question of what money actually is; (2) that questions regarding the value of money and the functions of a bank are not matters of fact but only matters of opinion. The awkward fact throughout the case was that the false notes bought things. Their existence was discovered only by the duplication of numbers, not by any effect on trade. The notes behaved, when circulated, exactly as if they had been issued with the authority of the Bank. This was because goods are subjected only to laws of nature, while finance is subject only to moral and spiritual laws. Nature was, in fact, a party to a conspiracy to defraud the Bank.

The judges had to get their opinions not from concrete facts, but from inspiration from above. We cannot decide, we laymen, whether an opinion obtained from above, and therefore presumably through the judge's hat, or wig, should be regarded as having been delivered through the same article of apparel. We only know that legal opinions have to be decided on ascertainable facts. And in this case the only concrete facts were those relating to the goods that the false money bought. And these were awkward. Men bought meat and potatoes —aye, even apple pie and custard— with the false notes, and were revived. They paid for taxi rides with these notes and reached their destinations in safety. They bought railway tickets with them and the trains arrived on time or only as late as usual. Worse than ever—men bought marriage licenses with the false notes and their unions have since been blessed. In short, laws of nature betrayed the higher laws of finance. Portuguese trade actually improved, because the currency had been inflated secretly without prices' being raised, so that the people had more money.

ALL these things can be proved, but the facts of finance cannot be proved. The Lord Chancellor said that while paper money lies in the vaults of a

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bank its value is only that of paper and printing, but that when it is taken out of the vaults its value entirely changes. That is the awkward difference between money and the goods it buys. Facts relating to goods can be proved. They can even be photographed in the act of increasing their value. A piece of raw bullock can be photographed in the act of becoming a steak pudding; a piece of tin can be photographed in the process of becoming a saucepan. But can a piece of printed paper worth 4*d.* be photographed in the act of becoming worth £1? What happens to that piece of paper, and how, and when? Does there exist an authentic picture of a bank note changing its value? Does it show the spirit of Montagu Norman descending upon it in the form of an owl, or does it only emit a ghastly ray? And whereabouts in the Bank does the change occur? At the top of the cellar steps or behind the counter?

Such were the difficult problems before their lordships. No visible proofs were submitted, no ocular demonstrations were introduced into the arguments. Witnesses were called, but their evidence related only to theory regarding the inner or spiritual nature of paper money. They did not so much give evidence as conjecture regarding the unseen universe. The witnesses did not include Portuguese men and women who testified to the reality of the goods bought with the unreal money. No Portuguese lady came forward to testify on oath that the bun she bought with an unauthorized note kept her baby quiet for half an hour; no Portuguese gentleman appeared to swear that the braces thus purchased were still maintaining his trousers in situ. Neither, on the contrary, did anyone appear for the plaintiffs to swear that after drinking nine bottles of port purchased with false money he remained perfectly sober. Nor did even a Portuguese confectioner depose that after making pastry with flour bought with false notes his tarts fell asunder, while in the silence of the night spirit voices could be heard complaining, 'Am I, or am I not, a doughnut?'

However, the case has been settled. The law has decided, by three to two, that the right of issuing purchasing power is the prerogative of a private bank, and that bankers alone have the right to say exactly how much mankind shall have of the wealth it produces. But suppose it had been two to three instead of three to two. Men would then have concluded that money is of no value in itself, that no occult laws control its issue, and that it can be issued to any extent compatible with the amount of goods there is to buy. With his purchasing power thus limited only by his productive ability, man would have been inundated with wealth and died of repletion. Three to two. . . . It was a near thing! Too near. I keep waking in the night, and imagining that it was two to three. My nerves will never be the same again.

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Here is a letter written thirty-five years ago from Bayreuth by a young Austrian noblewoman describing some of the celebrities of the day whom she met during the Wagner summer festival.

Bayreuth *in the* '90's

By Anna, Baroness von Kuhn

Translated from the *Neues Wiener Tagblatt*
Vienna Conservative Daily

Summer, 1897

DEAR, kind mother,—

Imagine it! There are still wishing wands and good fairies, and I am actually writing to you from Bayreuth. I sat planted in Innsbruck looking at the 'Goldene Dachl' while Otto went through his military drill. It suddenly occurred to me to wonder whether I could go to Bayreuth for a day to hear a performance of *Parsifal*. I telegraphed to R. L. and—just think of it—an answer came that sounds like a fairy tale. Lady de Gray invited me to spend a week with her in Bayreuth at Fantasy Castle. She said that seats were available for the whole series of operas. I left that evening and arrived here the following day.

Fantasy Castle is a dream palace of the vanishing Empire period. It is on a knoll in the midst of a vast park. One looks out of all the windows into a sea of green tree tops that move gently in the wind. Rambler roses peer in at my open balcony door, nodding at me and wafting me their fragrance. Does n't this sound like a dream or a lovely, lovely fairy tale? My hostess also belongs in an atmosphere of magic. I had known her only slightly, but we have mutual friends. She is beauty incarnate wandering the earth. Whenever I come into contact with absolute perfection I have a shuddering sensation. When Lady de Gray came to meet me in the salon at Fantasy I felt this *frisson divin* very clearly. Besides R. L. and my humble self there are seven other house guests. Among them is Sullivan, who composed *The Mikado*, a delightful, merry person, and a Mr. Arthur Balfour, a member of Parliament, for whom everyone has the highest respect. He is a typical Britisher, tall and slender with a small

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head and the dangling, flowing limbs of a young pointer dog. He is very musical, his bent being toward the classics, such as Bach and Handel. Now he is being permeated by Wagner's music.

Is n't it an original idea to take an enchanted castle like this one so that the glorious mood created by Wagner need not be spoiled by contact with the snobbish Bayreuth crowd? Everything was achieved very simply. Three carriages were rented in Nürnberg for a month, and now they are here in the stables; a first-class cook and two housemaids came from Frankfurt, and the maids and valets of the guests do the rest of the work. It was only a matter of a few telegrams; everything was settled and running smoothly within two days. Of course it takes a great deal of money to do things this way. Some of our countrymen would have the necessary money but not the requisite generosity, which English people alone possess, along with an intelligent sort of egotism which realizes that pleasures are multiplied if friends share them.

In the morning everyone does exactly what he likes. At luncheon, at one o'clock, there is always some interesting guest from Bayreuth. Yesterday Levy was here. He told us about Richard Wagner and the first festival dramas when the master himself still directed the performances. To-day we had Mottl, who is going to direct to-morrow. He played marvelous music from *Die Walküre* to us for an hour. In the afternoon we go to the festival theatre. Between the first and second acts we have tea in the restaurant and watch all the activity around us. Then we have a picnic supper in some lovely spot in the park between the second and third acts. The servants bring all the necessary supplies from Fantasy Castle. Yesterday we heard Rosa Sucher in *Die Walküre;* it was beautiful beyond description. As we rode back in a mood of consecration to our fairy castle, through the glorious moonlight that fell over the sleeping park, every nerve in my body quivered. My own mood was somewhere between shouting for joy and weeping. Finally I decided to weep to myself because I was afraid that if I shouted Mr. Balfour, who was sitting next to me, might call for help.

Since there will be no performance to-morrow we were planning a great excursion. Mottl advised us to visit Prague if we could make the proper train connections. We asked each other where Prague was, and Sullivan was besieged with questions because he had read something about Prague —a novel called *The Witch of Prague* by Marion Crawford. I told them that Prague was the capital of Bohemia, but that did n't seem to mean anything to them. Arthur Balfour called his courier (he travels with a courier because he cannot speak or understand German). Thereupon I made a sketch with the tip of my parasol in the sand of the garden, showing the boundary line between Bavaria and Bohemia and indicating roughly where Prague was in relation to Bayreuth. The most indulgent of teachers would not have given this exercise of mine a high rating. Maps were brought for comparison and I became the heroine of the hour because my drawing proved to be approximately correct. Balfour was especially lavish with praise for my stock of information. As it happens, how-

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ever, we are not going to Prague, for the time at our disposal is too short for the trip.

* * *

I have a great deal to tell you. The Prince and Princess of Wales have arrived. Lady de Gray went into the city and fetched Her Royal Highness out for lunch. The Prince was to come later, in the evening.

It was the Princess's fifty-second birthday. Whether her appearance was the product of nature or of art I could not tell, but in any case she looked enchanting. She wore a gray costume with a small, stiff Girardi hat, and had no veil even in the glaring sunlight. No one would have thought her more than thirty years old. She had become quite deaf since the first time I saw her, in Athens. This time, as before, I had to play for her. I doubt whether she could really hear much of it. When she carries on a conversation she gets along very skillfully by inserting '*Ja's*' and '*So's*,' but in actuality she hears very little. Everyone is overjoyed at her coming; she seems to be well liked. It may be that she is the realization of the ideal princess 'through compassion attaining knowledge,' like the pure fool, Parsifal. This is precisely what princesses ought to be. Those who stand with both feet firmly planted on the ground, knowing too much, shock me. Those who soar far above all earthly misery rub my nerves the wrong way. Princesses should dwell in pure empyrean heights, but they should learn through sympathy to understand human weaknesses.

Her Royal Highness, incidentally, has proved that she has good sense in practical matters. As I said before, there was no performance that day, so we visited a pretty little watering place called Bernegg, where we planned to take a walk and have supper in the evening. As we stepped out of the carriages, the children were just coming from school. The Princess remained standing and began to talk to them. The little ones looked at the lovely lady wonderingly and greeted her nicely. The Princess speaks German with almost no trace of foreign accent. After she had talked with them for a few minutes she decided that she would like to give them a treat. Her adjutant, Captain Fortescue, asked her how much he should spend. The Princess reflected for a moment, looked at the children again, and said: 'I think that three pounds will be about the right amount.' You see, that made sixty marks for the fifty children who were there, exactly the right sum for a delightful treat. I am certain that few other ladies of the aristocracy would have been able to make such an accurate estimate of the amount needed.

When we returned we found the Prince of Wales at Fantasy Castle. He turned out to be quite another story, and no one seemed to be particularly overjoyed at his arrival. I was amazed at the appearance of this heart-breaker, this arbiter of elegance, of whom I had heard so often. If I had met him somewhere without knowing who he was, I should have judged him to be a rather stout German business man.

I was surprised, too, at the manner in which they treat him here in the house. In the evening we all sat on the terrace, and the Prince asked Mr. Balfour about some incident in the British Parliament. Balfour answered crisply, clearly, even huffily that he

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was on vacation in Bayreuth for the purpose of enjoying the castle, the music, and Wagner, and that he had no desire to 'talk shop.' He had his say, arose, and strode into the drawing room, where he buried himself in a tremendous armchair and in Wagnerian literature. He is really awfully funny; he wants to understand everything thoroughly, and makes himself quite wretched about the tangled family relationships of the gods.

When we have tea in Bayreuth the Prince always sits at a different table from the Princess and Lady de Gray, and invites his own guests there. Recently I had the honor of being summoned to his table, along with several pretty American women who carried on with him in a very familiar way. I told them about it at the castle, whereupon the disrespectful group suggested that the Prince reminded them a great deal of Wotan: whenever he appears there is a marvelous *motif* and everyone thinks that he is going to do God knows what, and then it always turns out that he complains to one woman or is roughly treated by another. Since then we often call him Wotan among ourselves. It has become a standing joke.

The day after to-morrow my beautiful fairy dream will be over. It has all been a single, glorious harmony, even in the tiniest details. I shall always cherish the memory of it. Perhaps De Musset was right when he said, 'Un souvenir heureux est peut-être en ce monde plus vrai que le bonheur.'

VIENNA, 1919

The World War has come to an end. Germany and Austria-Hungary have been crushed, and among the men who direct our destinies is Arthur Balfour. To-day he must know exactly what the capital of Czechoslovakia is called. He and his colleagues often called upon the name of the great King Edward during the War, saying that they wanted to work in his spirit. Shakespeare said once upon a time that the King of England does not know the friends of the Prince of Wales. But it also seems as if the friends of the King of England forget the opinion they held of him when he was still Prince of Wales.

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BOOKS ABROAD

DISCOVERY OF EUROPE. *By Paul Cohen-Portheim. London: Gerald Duckworth and Company. 1932. 10s. 6d.*

(Harold Nicolson in the *New Statesman and Nation*, London)

MR. PAUL COHEN-PORTHEIM is something more than a cosmopolitan of talent; he is something more, even, than a good European. It is not merely his mind that is encouraging; it is his state of mind. He is the type of truly civilized man.

In his *Discovery of Europe* we find again that lively observation, that curious ingenuity, that wise tolerance which distinguished his *England* and his *Time Stood Still*. Yet we find something more. Not only has Mr. Cohen-Portheim brought to his latest work a more serious preoccupation, but his talent for comparison has now found a more valuable outlet and a wider scope. These, his aptitudes, are strongly marked; they derive not merely from an elastic mind, but from actual experience of an uncommon order. Half Austrian, half German, Mr. Cohen-Portheim understands the qualitative values of Vienna even as he understands the quantitative values of Berlin: a wide knowledge of French and English culture, a long, and for four years enforced, residence in this country and in Paris have provided him with standards of comparison more accurate and more available than those vouchsafed to the ordinary internationalist. Being possessed of an alert though patient mind, he has been able through many years of observation to check by constant criticism his own experience and conclusions. The result is a book of vivid and, in my view, durable interest. Mr. Cohen-Portheim, it is true, will be accused by his compatriots of superficiality, perhaps even of journalism. 'I should like,' he says when touching upon the future value of Poland and the exact degree of Latinity possessed by the Rumanians, 'I should like to know all this and a great deal more, but I do not, and I see no sense in repeating other people's opinion.' Such frankness will not be welcome to the admirers of Oswald Spengler and Count Keyserling. Yet to British readers it will come as confirmation of Mr. Cohen-Portheim's honesty and balance. And it is to British readers that this book is primarily addressed.

Mr. Cohen-Portheim endeavors, as his avowed object, to restore to his fellow Europeans a greater self-consciousness and a greater self-confidence. He refuses to regard Europe as a decaying peninsula of Asia, even as he refuses to admit that she is doomed to fall a victim to Mr. Ford. He considers Europe far more vital, far more resilient, than that. 'I am certain,' he writes, 'that there is no hope for Europe outside Europe, nor do I think that there is much hope outside Europe for the rest of the world.' Having thus emphasized, in terms of space, the need of what he calls 'the rediscovery of self,' he proceeds to enforce that theory in terms of time. 'The period,' he writes, 'called "after-war" is finished.' The hour, in his opinion, has already struck for the new Renais-

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sance. And as a condition of such revival, such repetition, he urges a reconsideration of values. The essential genius of Europe is, in his view, to be found in that form of individualism which attaches greater importance to quality than to quantity, to variety than to mass. He examines the stages and the forms through and in which we have betrayed our own ideal, and he analyzes the resultant diffidence and defeatism with which Europe has become afflicted. If we are to withstand the twin materialisms which, whether in their Russian or American shape, menace us from East and West, we must recapture our own genius, we must again become aware of the 'staggering wealth of European inheritance.'

> The European traditions to which I hope to see Europe return must not be confused with those predominant in the last fifty or sixty years, for these are their very negation. I can see no hope whatever in a return to the nationalism, materialism, and utilitarianism of that epoch, which contained the seeds of the present crop of misery; the hope of the future lies in a return to earlier traditions that have survived as yet, nor is it simply a return to them, a repetition (could it be achieved) which could save Europe. Just as the Renaissance was not a repetition of the rediscovered antique, but a new structure erected on a rediscovered base and suited to the new times and conditions, so a modern Renaissance will have to do its own building. There is no old dwelling for Europe to return to, but there are foundation stones, there is a basis for it to build on, and I take the present retrospective phase for an instinctive search for such foundation materials . . . In this reading of the signs of the times, and in this alone, I am an optimist.

SUCH, in outline, is Mr. Cohen-Portheim's thesis. Yet it is perhaps in the analysis of existing causes, in the comparison of existing international symptoms, that he is most illuminating. His summary of nineteenth-century materialism, his version of war and post-war psychology, his examination of the twin utilitarianisms of Moscow and Detroit, although in his own words 'a crudely superficial account,' are none the less lucid and arresting. More directly useful, perhaps, are the chapters he devotes to an explanation of the French and German attitudes of mind. I recommend particularly his very sane analysis of German political psychology, and his insistence upon the vast importance to the modern German of the old Roman *limes* and of the Thirty Years' War. We in this country are all too apt to ridicule and to resent the fact that no German has his centre exactly in the middle. We fail to understand their strange admixture of timidity and violence, of diffidence and boasting, of self-confidence and self-distrust. Mr. Cohen-Portheim's book furnishes a useful corrective to all such facile generalizations, while his chapter on the 'Tiergarten spirit' is, although brilliant, a perfectly serious contribution to our understanding of the Empire of William II. In the light of such interpretation the jerks and skids of Bülow acquire a certain unpleasant cohesion. We may not admire, but at least we understand. And we learn the valuable lesson that every German is a trifle insane.

To the British public this book will be welcome, not because of its implied doctrine of an internationalism of brains, but owing to the very flattering portrait that it offers us of ourselves. Even before the War there were books, such as those of Pierre de Coulevain and Price Collier, which told us how delightful, how important,

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we really were. Since then we have had Dibelius and Maurois, Silex and Kircher, Renier and (less enjoyably) M. André Siegfried. Mr. Cohen-Portheim manages to assure us that our defects are really virtues, that our indolence is wisdom, our thick-headedness some form of congenital rumination. He goes further. He does not, as do most of his compatriots, believe that the British Empire has ceased to exist; he believes that it has only recently begun to begin. He does not, as does M. André Siegfried, feel that we have made our final contribution to civilization; he feels that our most important contribution is yet to come. He does not, as do our own defeatists, imagine that we shall fall a victim either to communism or to Americanization; on the contrary, he contends that American influence in this country is already reaching saturation point, and that the British workingman, being ill-attuned to equality, would never wish to attain the paradise of communism. 'In fact,' he writes, 'if the English are imperfect as capitalists, they are quite hopeless as communists.' But he does observe, and I think rightly, that the British conscience is beginning to prick assiduously; and he does feel that the future of Europe depends upon the formula that we, in our dual capacity of a Continental and an oversea Power, may ultimately evolve.

This book raises interesting problems and raises them in a vastly entertaining manner. The economists will contend, of course, that the nerves of nations are of less importance than their stomachs. I doubt it. Mr. Cohen-Portheim in this book has given us a picture of European states of mind; I contend that this picture is not merely fascinating, but of serious importance.

ENFANCES DIPLOMATIQUES. *By Wladimir d'Ormesson. Paris: Librairie Hachette. 1932. 12 francs.*

(Jérôme and Jean Tharaud in the *Nouvelles Littéraires*, Paris)

ONE day in a French school in Crete Clemenceau asked a little girl, 'How much are two and two?'

The child replied without batting an eye, 'That depends.'

'On what?' asked Clemenceau in surprise.

'Why,' said the little Cretan girl, 'if the two figures are written one above the other they make four, but if they are written side by side they make twenty-two.'

'Here indeed,' exclaimed Clemenceau, 'are the most subtle people in the world. I shall never forget that reply.'

Who tells us this charming anecdote? Wladimir d'Ormesson, in his reminiscences, a delicious, smart, lively book, entitled *Diplomatic Childhood*, that has just been published. The reminiscences begin at the time when right-thinking people believed that Clemenceau had sold out to England. Our child diplomat takes us to the various European courts where his father was sent as a minister or ambassador. Nothing could be more diverting than the intimate pictures he paints of these different surroundings. Russia scarcely counts because he was merely born there and taken away in a cradle that was almost lost on the way out. But how gently he depicts the court at Copenhagen, his first childhood post, where Christian IX ruled, the grandfather of Europe,

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with one daughter on the throne of Russia, another about to ascend the throne of England, a son who was King of Greece, and a quantity of nephew kings and niece queens. It was a comic little princely world, very bourgeois and formal.

One thing that the reader of *Diplomatic Childhood* will discover is the intimate character of certain little European courts, notably those of Portugal, Greece, and Belgium. One is tempted to quote indefinitely, and here are a few episodes chosen at random. King Carlos of Portugal, one of the best shots in Europe, used to amuse himself in his garden in Cintra reënacting the exploit of William Tell. The Queen would take a bouquet and hold it over her head. The King would fire, and each time the bouquet would fall at her Majesty's feet. In Greece, a lady of honor once went to sleep at an official ceremony, and, thinking that she was pulling up her sheet, she lifted her skirt up to her chin. But these episodes should read as D'Ormesson writes them, for they introduce you intimately to surroundings that our imaginations usually depict unskillfully because we are too tempted to divest them of all truth and human simplicity.

The world of diplomacy lived side by side with the court. That is another little universe which we have not often been allowed to visit and which almost always becomes an object of caricature in literature and the theatre. It is a world in miniature with its own dynasties, a world in which the father hands over his uniform to the son and in which every newcomer seems like a bull in a china shop. D'Ormesson, having lived in this world from the day of his birth, describes it from the inside. He reveals all the boredom, tribulation, mistakes, and changes that keep occurring.

'Anyone who has not been a diplomat for thirty years,' he says, 'does not know the rôle that the cash box plays in the lives of these correct mountebanks. Anyone who has not kept moving about perpetually does not know what drudgery and fatigue are involved.'

It was not only a question of material boredom. An ambassador's hardest job always has been and always will be making his government understand him. People mistakenly believe that governments frequently consult their chief diplomats, ask their advice, and lay great importance on the suggestions and information that the diplomats send back concerning current affairs. What an illusion. Even if a group of important ambassadors present themselves at the foreign minister's office they have a harder time gaining admittance than the most unimportant deputy would. Ambassadors are criticized because they are always thwarting fine plans laid in advance. D'Ormesson tells us that a certain ambassador in a serious situation cabled to his foreign minister that in his opinion the time had come for certain important decisions to be reached without delay. The only reply he received was, 'I am charging the expense of your telegram to your own account.'

I was never an ambassador, but in 1905 or 1906 my friend, Maurice Pernot, and I were the Berlin correspondents of *Le Matin*. Every evening we telephoned quantities of news items that seemed to us interesting and the next morning we would open the paper in the hope of seeing them.

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Almost always we were disappointed. There was little or nothing of what we had telephoned. When one is young this causes some mortification. I believe that every diplomat has the same experience until he arrives at wisdom or, rather, resignation.

There are also very diverting accounts of the relationships between the diplomats of different nations who are accredited to the same government, those 'dear colleagues,' as D'Ormesson comically calls them. I cannot resist the pleasure of quoting the following incident:—

'When the dear colleagues meet each other they feel that they are among initiates. If Molière had written a ceremony for diplomats I believe that he would have begun it with this ritualistic dialogue.

'"Where do you come from, my dear colleague?"

'"I come from the Hague."

'"Ah, but if you come from the Hague you know the Krimpitzes."

'"The Krimpitzes? Why, my dear colleague, when I was secretary at Stockholm Krimpitz was a colleague of mine."

'"Then at Stockholm you must have also known Bouchalof, Badington, and La Vertigrade?"

'"Bouchalof, Badington, and La Vertigrade! Why, of course, and at Peking, too, and later at Sofia . . ."

'And this can go on for hours.'

Custom has cast these 'dear colleagues' in the same mould. They all have the same slightly weary air, the same cosmopolitan banality, the same phraseology, the same pompousness, the same rhetoric. But D'Ormesson justly remarks that in spite of their comic side, which is often ridiculed on the stage, custom is not mere thoughtless routine for them. 'It is,' he says, 'the sum of a certain experience of things, of a certain philosophy of life. It is a *savoir-faire* that reality has forced us to learn. For professional politeness is not a mere façade or a last resort. Don't smile when I say that the first virtue of the diplomat is to be well brought up. Nothing is more necessary for democracies than to live in peace. If certain journalists and politicians, including those who think they are most traditional, had the religious respect for international courtesy that most diplomats have, peace would be solidly established in Europe.'

The general reflections at the end of the book are infinitely interesting. One concludes that the diplomatic spirit is declining and that the diplomat is being superseded by the technician. But it should be remembered that the technician from whom we have hoped so much has not yielded brilliant results. I have merely indicated very rapidly the varied interest of Wladimir d'Ormesson's book. The author has succeeded—and it is a real *tour de force*—in having preserved the freshness of his childhood memories and at the same time added to them with fine good taste and perfect discretion reflections based on the experience of a lifetime spent in comprehending the incomprehensible Europe of his time.

KLEINER MANN—WAS NUN? *By Hans Fallada. Berlin: Ernst Rowohlt Verlag. 1932. 4.50 marks.*

(Arno Schirokauer in *Das Tage-Buch*, Berlin)

TWO years ago Alfred Döblin's *Alexanderplatz, Berlin* depicted the proletarian, Franz Biberkopf, sink-

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ing in the great ocean of Berlin, touching a bottom that turned out to be soft mud, and trying to keep his head above water by practising various sidewalk activities. Nobody can read Fallada's new book, *Little Man, What Now?* without thinking of Franz. Nor can one fail to recognize that Fallada's book has a much wider application and a much greater significance. Who was Biberkopf anyway? A poor, dumb soul who dropped anchor in the workers' quarter, where he tried to hoist his sails. He was a social cipher, a representative of the fifth estate. Franz was an exceptional character. Berlin is a big metropolis, inhabited by four million little citizens. There are perhaps twenty thousand people like Biberkopf in the city. What was representative in Döblin's technically interesting novel was not he but it, not the hero but Berlin.

Fallada, a former white-collar worker, has chosen the theme that his period demands of him. A whole nation of little fellows is relentlessly and logically revealed in an aspect that no one can fail to recognize. They are blind and lame, stillborn, without prospects or purpose. They resemble tadpoles wriggling their little tails of hope, idealism, diligence, and economy until they are devoured by monsters of the deep. The stormy times we live in have deprived them of all value. They are helpless and there are too many of them.

Pinneberg from Ducherow is no social outcast. He is a neat little clerk with the usual schooling. He can write a readable hand and looks presentable. He is an industrious, reliable, chipper young shop clerk who stands in the centre of the bourgeois picture; the dear good fellow is part and parcel of the whole system that is generally known as bourgeois. Young and thoughtless, he possesses a great capacity for hope and an even greater capacity for worry. He is a private in the ranks of the white-collar army that is marching in regular step, with starched collars and clinking pay envelopes, into the ranks of the proletariat.

The experiences that this young man, who has a wife and child, undergoes as a clerk in a Berlin retail store, in a hospital, and in a labor bureau are the same experiences that his whole class is undergoing. An economic system whose original purpose was to make men happy is now reducing them to slavery. It functions though it is oiled with human souls, greased with human sighs, cooled with human tears, fired with human lamentations. There is smart little Pinneberg, there is Lämmchen, his wife, whom he makes a mother in an access of love and carelessness. The three of them are all fond of each other and strive toward what is good with what strength they possess, but the lassos of economics are flung their way. Presently Pinneberg gets into trouble, sweats blood, spends his nights dreaming that cowboys have thrown a lasso around his neck in the form of a sales quota. A sales quota among shop clerks is what piece work is among factory workers. One must go hungry, first for the Fatherland, then for the sake of rationalization. Every day seems like a reprieve from the gallows. Finally, the noose is pulled tight. His breath is cut off and Pinneberg, the neat, harmless citizen who used to be so blindly devoted to Lämmchen, is yanked aloft. He flies at half mast. He is jerked from the third estate to the

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fifth. Since he still enjoys civil rights he can choose whether he wants to be a Nazi or a Communist, but soon his last white collar is worn out. The police throw him out of a delicatessen store. He is done for and learns that he amounts to precisely nothing.

This would have been just another description of contemporary life if Fallada were not a real writer. His extraordinary power makes the use of such stock phrases as an 'individualistic novel' or a 'contemporary novel' meaningless. Pinneberg, his mother, Lämmchen, Jachmann, Kleinholz, Heilbutt, and all the other characters in the book magically turn into real people. They occupy three dimensions, breathe real air, have their own peculiarities that distinguish them from the background whence they have sprung. Perhaps what distinguishes this novel more than anything else is that characters with such distinctive fortunes can suffer such anonymous fates, that people with such definite qualities and such completely developed spiritual aspects are all ground up in a great sausage machine as if they were nothing but meat. Because the characters in this book are real people, their fate is all the more heartrending when they are mowed down. Their hearts beat but the impact of the hammer that descends upon them obeys another pulse. Men moulded in different ways are all reduced to a single hash.

The author is just as skillful in his use of dialogue as in his representation of character. The conversation is as simple and natural as if it had actually fallen from the lips of commonplace people. The words are universal. They never transcend the experience or the intelligence of the speakers. But though each character uses a conventional vocabulary they are all miraculously transformed into human beings. Because the conversation is the natural expression of the speakers it fills their veins with real blood and gives them the color of life. Suddenly the reader sees millions of individuals sinking up to their necks in a morass. They are crying out and, what is most terrible of all, each one is crying intelligibly in his own particular voice. They are hoping, each with his own hope. They are fighting, each with his own weapon. But a single quicksand is sucking them down to where the laws of nature are the same for all.

AIR INDIEN. *By Paul Morand. Paris: Bernard Grasset. 1932. 15 francs.*

(Albert Thibaudet in the *Journal de Genève*, Geneva)

WITH a mixture of decision and nonchalance, and with two different kinds of intelligence, Paul Morand pursues his aim, which is to realize the world. 'To realize' it means to bring it into the realm of ideas, of sensitive and sensual symbols, of weighty coins and medals, to define it, to feel it, and to think it in a French manner. For 'realize,' which purists consider an annoying Anglicism, and which the Abbé Bremond is supposed to have brought into the language, expresses perfectly the eminently French operation of intellectualizing something, of putting it into clear, distinct, plastic images.

If we leave to one side the documentary, popular Morand of *Paris-Timbouctou* and *New-York* (*New-York* was by far his best seller), the useful, practical, solid, English, Innovation-trunk Morand, and if we consider

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those two highly artistic books, *Rien que la terre* and *Air indien*, we shall see in Morand the true intellectual traveler of to-day, who belongs to the family of Taine, Chevrillon, and Bourget far more than to that of Barrès and Loti. There seem, by the way, to be two types of traveler, and one might almost say two sexes of travel, masculine and feminine. On masculine travels the author sees things outside himself, as Taine and Morand do in the realm of ideas. Feminine travels are those on which the author, speaking in the first person, follows not only the law of his subject, but a necessity of his own nature. For Barrès, for instance, the Acropolis is not the Acropolis, but Barrès on the Acropolis. It must be understood, of course, that these distinctions hold good only within certain limits and that every real traveler combines the two types.

Air indien is a real trip, by air, over South America, but it is also an intellectual voyage, a Platonic voyage in an idea and with an idea—the idea that America *is* air, just as Athens was sea and Gard is the vine. The first pages develop what one might equally well call a master idea in the manner of Taine or an imaginative *bravura* theme: 'Air and water, earth and fire, the four elements of antique science, are divided among the continents. Africa is given over to fire, Asia and Europe to earth, Oceania to water, but the principle of America is air, fresh young air, without shadow or ripple, generating electricity.'

This preponderance of the aërial element in America is evidenced by the skyscrapers of New York, by the Incan sun that directed Pizarro and the moon that guided Lindbergh; by Manco Capac and Wilbur Wright, by the twenty-five hundred species of birds in South America, 'each having its favorite altitude, climate, flower, and berry'; by the pre-Incan legend of the humming bird with the leaf in its beak which announced the end of the Indian flood; by the dove which, according to Humboldt, taught the tribes of the Andes articulate speech; by the bird men of the ritual pottery of the Grand Chimu, the birds painted on magic masks, the wooden crows on dovecots, mummified parrots, and the 'singing birds of funeral urns that make sounds like the nightingale or the blackbird as water escapes from them.' Then there are the feathered Sioux of Fenimore Cooper, the two-headed eagle of Charles Quint, the Mexican eagle, the Yankee eagle, and Poe's raven. And feathers—the feather coats of the Amazon and Peru, the feathered snake of Mexico that resuscitated Lawrence, the feather beds of Mexican chiefs and of the courtesans of Lima, the 'last American wave of a feather civilization that covered all Polynesia.' Finally, the airplanes of to-day, 'birds whose eggs are suitcases and mail bags and whose solitary migration follows the coast line exactly, with nightly stops in nests of corrugated iron.' It seems that Aristophanes' *Birds* foretold the future; it presaged the American republics. Perhaps Paul Morand's propaganda will cause it to be played, in feather coats, on the roofs of New York as the traditional American piece, like the Passion Play at Oberammergau or *William Tell* at Interlaken.

OF course all this is playfully written, but it is like the play of a bird, of a creature whose blood is warmer by

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two degrees than ours, the play of a freer element, of poetic fancy. As a matter of fact, is this reign of the bird, of wings and feathers, that Paul Morand has found in America worth the trouble it took to discover it? Maurras has said that the real Greece is Provence. Similarly, can we not find in France as well as in America the kind of man who seeks to surpass himself through an aërial nature? It is a remarkable fact that some of our most authentic geniuses have had heads that resembled birds. Consider Rodin's extraordinary skull and profile and Bergson's unusual face. And need one fly in Morand's Indian air when one watches and listens to Madame de Noailles during her six-o'clock monologue? One of the most singular bird-man heads that I have ever seen was that of Jarry, who had the makings of a genius. It is too bad that Paul Morand's physiognomy does not put him in this aërial category, but after all he is a critic, and critics belong rather to the cat kind. Sainte-Beuve was called a tomcat at college.

You must excuse these variations on Indian air, for Paul Morand led me into them, dragging me into his ritual dance. Nevertheless, I have an idea that the air of one country is very much like the air of every other country, and that what distinguishes one land from another is the earth and nothing but the earth. In reading Morand's book, one perceives, behind the gleaming portico of feathers, the atmosphere, as it were, of a highly intelligent traveler. South America is described in clear, striking terms, its scenery and customs rather than its inhabitants and, especially, the ideas that it suggests, ideas of life and civilization and of the earth, an earth that the author seems to be able to hold in his hand and inspect from all sides, as a connoisseur inspects a glass of Rhine wine. It is said that when an Englishman tries to be gay he makes a thorough job of it. And the same is true of a German (look at Heine) who decides to be witty. Paul Morand, setting out to learn geography, shaved off his moustache, stopped eating bread, and had himself borne through the air instead of fearing it.

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LETTERS AND THE ARTS

Two New Hamlets

MOSCOW and Paris have been enjoying two productions of Hamlet as different from each other as they are from the conventional Anglo-Saxon representation. The Russian affair is incomparably the more original and important. Under the supervision of the director, Akimov, who has been studying Shakespeare's background for years and who is convinced that the teaching of Erasmus had a great influence on the English dramatist, Hamlet becomes a man of action dressed in silver armor and ambitious to overthrow the King. The 'To be or not to be' soliloquy is spoken in the company of Horatio and is interpreted to mean 'to be or not to be King.' Ophelia's madness becomes intoxication and the ghost of Hamlet's father is a trick played by the Prince himself to deceive the public. The play within the play is not supposed to give him assurance in his plan to murder the King—it is used to win over the audience and the court and convince them allegorically of the justice of Hamlet's case. As his nephew's antagonist, the King is raised to a character of prime importance, a charming and cowardly seducer who has completely insnared the Queen.

Some of the wide gaps between the Shakespearean text and the Soviet interpretation Akimov tries to bridge by stage effects. The King and Queen are shown in bed with nightcaps on talking about Hamlet. Horatio listens in on some of the soliloquies. But there are still some yawning gaps—Hamlet running across the stage with a carrot in his hand—is such a character a strong leader?—and Horatio pronouncing him a philosopher who was not equipped for the battles of this life. Nevertheless the play has been a great success and for two reasons. One is the production, including the acting as well as the stage setting; the other is the simplicity of the plot, which becomes understandable and absorbing as a story of frustrated ambition.

Hamlet in Paris has been playing to capacity houses for the same reason that it has gone well in Moscow—because of the absorbing quality of the play itself. Yet the French version is poles apart from the Russian. It is performed by the Comédie Française troupe in a translation made by Eugène Morand, the father of Paul Morand, for Sarah Bernhardt. This time, however, the leading part is not taken by a woman, although other actresses than Bernhardt have attempted the rôle in the past. The present Hamlet, Yonnel, keeps pausing, overemphasizing, and making irrelevant gestures. Because the members of the Comédie company did not expect the play to meet with much success, few good performers participated, but it has become so popular that they will not make the same mistake next time.

Russia's Berlin School

IN the Tempelhof quarter of Berlin a 'Soviet Work School' has been established for the children of Soviet Russian families living in the German capital. It is a long, low building in the modern style and was once a moving-picture studio but is now occupied by 160 children who stay there all day, traveling to and from their homes by automobile. Most of the instruction is given in Russian, but special emphasis is also laid on German, which, in Moscow, is given the same attention as French and English.

The methods in the Soviet Work School are identical with those used in Russia. The children are taught how to work as well as how to study. In miniature factories they are instructed in the use of lathes, drills, and various industrial

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machines. They make screws, pottery, and all sorts of metal and wooden ware. Their ambition is to be engineers or pilots instead of coachmen or sailors, as in the old days. Their labors are supervised by trained factory workers. The purpose of the school is to train children to become workers without destroying their individuality. When they model clay their work is labeled and displayed, and those who go in for specialized tasks have the satisfaction of knowing that they can always find good jobs at home in factories. During the summer the school moves to the country, where the pupils attend outdoor classes and get an opportunity to exercise. And in winter they go to the mountains for skiing. A foreign student of Russia has said that Russians have always been more active in behalf of their children than in any other cause. Evidently this observation still holds good.

Conrad at Thirty-One

NEW information about Joseph Conrad's seagoing days has been revealed in the French press. On September 30, 1888, Conrad arrived in Port Louis on the island of Mauritius, which lies a few hundred miles due east of Madagascar, as captain of the three-masted bark, *Otago*. He had come from Australia to fetch a cargo of sugar and departed on November 22. Thanks to the researches of a local man of letters, Savinien Mérédac, two documents telling about Conrad's stay on the island have been produced, one of them a description of Captain Korzeniowski—for he was still going under his real Polish name—and the other a personal questionnaire written in French, Conrad's replies having been set down in English. The first, a recent letter to M. Mérédac by the man from whom Conrad got the sugar, runs as follows:—

'He was of slightly more than average height, and his energetic and extremely mobile features would pass very rapidly from repose to a nervousness bordering on anger. His great black eyes were melancholy, dreamy, and also gentle, except when he was irritated, which occurred fairly often. The most striking thing about the master of the *Otago*, outside of the distinction of his manners, was the contrast he formed with other ship captains. Unlike his colleagues, Korzeniowski always dressed like a dandy. He used to come to my office almost every day wearing a jacket of black or some other dark color, with a light-colored vest and fancy trousers, all well made and very elegant. He wore a black or gray hat slightly tilted to one side; he was always gloved and carried a gold-headed cane. His relations with other captains were limited to those of strict politeness, and he generally contented himself with a salute. He was therefore not very popular among his colleagues, who ironically dubbed him "the Russian count."

'As for his mental faculties, he had a perfect education and his conversation was very varied and interesting when he felt like being communicative, which was not always the case. He who was to acquire fame under the name of Joseph Conrad was often very taciturn and nervous. In those days he had a tic of his shoulders and eyes, and anything unexpected, such as a slamming door or something falling, made him jump.

'Joseph Conrad spoke both French and English very correctly, but he preferred the former language, which he handled with elegance. Our conversations were always held in French.'

The questionnaire was produced by a charming old French lady who has pleasant memories of the young Polish sea captain, whom she frequently entertained and who had answered a list of questions for her, signing his initials, J. C. K. It was customary in those days for young ladies to submit such questions to their gentleman friends, but it was Conrad's own idea to answer them in English, since that was the language he was studying especially hard at that time.

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What is the principal trait of your character?
Laziness.
By what means do you try to please?
By making myself scarce.
What name makes your heart beat fast?
It is ready to beat fast for any name whatsoever.
What is your dream of happiness?
I do not dream about that; I seek reality.
Where does the person live who occupies your thoughts?
In a castle in Spain.
What quality do you like best in a woman?
Beauty.
What would you like to be?
I should like not to be.
What is your favorite flower?
The violet.
In what country would you like to live?
I do not know. Perhaps Lapland.
What color eyes do you prefer?
Gray.
With what gift of nature do you wish you were endowed?
Self-confidence.
What do you like best at a ball?
I do not dance.
What is your favorite promenade?
I detest all 'promenades.'
Which do you prefer, brunettes or blondes?
Both.
What is your favorite diversion?
Chasing wild geese.
State your mental attitude.
Calm.
Whom do you hate most?
Hypocrites.
Do you think that you are loved?
I cannot say.

The Real Mata Hari

NEW personal recollections of Mata Hari have lately appeared in the correspondence columns of the *North China Daily News*, the leading British newspaper in Shanghai. The author, who signs himself 'R. d'A. de R.,' met the lady a few years before the War on a steamer traveling from Singapore to Marseille and he introduced her to M. Guimet, head of the Guimet Musée, to demonstrate her 'sacred dances' of the Javanese. Here is the way he describes her:—

'Mata Hari was tall, slender, and dark. Her complexion was like ivory and she was generally taken for an Eurasian; in fact, she always pretended that her mother was a Javanese priestess, although she admitted to me, later on, that she said so for the sake of her "business" as a dancer. In fact, she was pure Dutch but spent all of her childhood in the West Indies, where her father was a petty official. She married a major of the Dutch army and was extremely unhappy; toward the age of thirty she divorced him and lived for some years in Holland in very poor circumstances, having barely enough to live on and to keep her child, a little girl who should now be a woman about thirty-five years of age—if she is still, poor creature, alive.

'Mrs. McLeod [Mata Hari's real name] managed to gather enough money to return to Java and she spent some time in that country; I understand that she studied there some of the local dances, and it was on her way back to Europe that I made her acquaintance.

'She was then a woman of thirty-eight or thirty-nine years of age, but she did not look a day more than thirty. Her figure was splendid; she was not pretty or beautiful, but she had an extraordinary charm, the grace of a snake, and, finally, the cunning of the devil. Strange to say, until she became a professional dancer and met with a tremendous success as such in Paris, London, and Berlin, she was a quiet, unassuming woman, rather shy and bashful. But success went to her head and when she saw the great men—and great fools—of Europe at her feet, she seems to have then gone amuck. Her age was a dangerous age for women, and she proved how true that axiom is. She made money, lots of money, but threw it away as

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easily as she earned it. She had an inexorable hatred for men.

'She confided to me, several times, that she was "on the warpath" against men and that for the sake of revenge she would ruin as many as she could. In those days I thought she was boasting, but she kept her word in the most terrible manner. She was also after money. Money became her god, her only god; her conversation on that subject filled me with disgust more than once, although I felt how much misery there was under her cloak of cynicism.

'I shall terminate this note by denying the foolish story about the so-called camouflage of her execution. It was alleged and finally believed for a long time that the execution was a simulacrum, more or less similar to the famous episode in *La Tosca*. It was also said that Mata Hari was assured that the guns would not be loaded with live cartridges and that all she would have to do would be to drop on the ground and pretend that she was dead; she was supposed to be rescued later on, and secretly deported.

'That story is nonsense. Mata Hari was never told anything of the kind, as my old friend, her lawyer and defender Maître Clunet, told me some time before he died, heartbroken. It must be said that, however abominable her deeds and well deserved her fate, she went to her doom as a brave woman, meeting death with her beautiful eyes wide open. She faced the firing squad with a smile, a bouquet of flowers in her arms, and before she fell her last words were: "*Ah! Ces Français!*"

'There is, of course, not a word of truth in the love affair as shown on the screen. Mata Hari was too "hard-boiled" to know what the word "love" may mean. At the time of her sinister activities, she was after money and nothing else, although her sympathies were unquestionably on the side of Germany. The idea of a stranger's being allowed to enter her cell at the Saint-Lazare prison, a few minutes before her execution, is absurd. As far as Ramon Novarro is concerned, all those who have been through the War know that such a ridiculous-looking gigolo with a painted moustache could never impersonate one of those splendid but rugged-faced fighters of the aviation corps whom Mata Hari, after having fooled them with her paid kisses, sent callously to their death.'

One gathers that the author of these lines is a British citizen and not ashamed of the fact.

Spengler Revaluated

REINHOLD SCHNEIDER, a contributor to the *Deutsche Allgemeine Zeitung*, takes advantage of the fifteenth anniversary of the publication of the first volume of Oswald Spengler's *Decline of the West* to estimate its importance. He feels that it appeared at an unfortunate moment because Germany was in such despair in 1917 that Spengler's prophecies were applied to the immediate situation instead of being seen against a perspective of a thousand years. But as time has passed *The Decline of the West* has been judged at its real value as 'an historical work of the first importance.' It does not rest, Herr Schneider insists, on deductive logic; its author came to his conclusions only after an extensive study of the facts and did not manipulate his material to suit his private preconceptions. The criticism most commonly made of Spengler is that he is too pessimistic; his contention that all civilizations, our own included, pass through different phases corresponding to the seasons of the year and then die has been widely resisted. But, according to Herr Schneider, Spengler is not really a pessimist at all—at least not in the sense that he refuses to accept life. It is one of the qualities of an aging society that it should have perspective and Spengler himself has argued that Western or 'Faustian' man with his immense curiosity is uniquely equipped to analyze and synthesize universal history. Indeed, the

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conscious acceptance of a tragic destiny, with all its implications and possibilities, is the most complete affirmation of life that is possible.

As contributor to a newspaper that is supported by the big industrial interests, Herr Schneider naturally approves of Spengler's political beliefs, which are known to be reactionary, nationalistic, and even monarchistic. The National Socialists have appropriated some of Spengler's doctrines without warping them in the process as the Prussian militarists did before the War when they quoted Nietzsche.

Fifteen years are perhaps not enough in which to judge a man whose admirers claim that he is a master of the first order, but they do give the man himself time to show his true stature. Since 1922, when Volume II of *The Decline of the West* appeared, Spengler has scarcely been heard from. In 1924 he published a book on the reconstruction of the German Reich and wrote a reactionary manifesto to the youth of Germany. Complete silence followed until a year ago, when his eighty-page postscript to *The Decline of the West, Men and Technics*, appeared, an inadequate and inaccurate argument that man is a beast of prey. Surely a German writer worthy to be compared with the greatest that his country has produced—Goethe, Kant, Nietzsche, Marx—would not have kept silent during seven such crucial years.

New English Words

HAVING compiled about five hundred pages of a six- or seven-hundred-page supplement to the Oxford English Dictionary, Dr. C. T. Onions, who is in charge of the work, has told about some of the new words that have lately come into the language:—

'Just at the moment I am engaged on "shock," and I find it necessary to treat several compounds of words with reference to labor conditions in Russia, where there are shock-brigades, shock-workers, and so on. There was a visit, you may remember, of shock-workers to England last year. The word is modeled in the first place on that of the shock-troops of Germany—those special forces of men who in the Great War were chosen for storming and other operations. The Russians have since adopted the idea, and have applied it to industry and agriculture and their brigades of workers. It is an instance of a very recent piece of terminology of which we are bound to take notice.'

A number of foreign words have been added—'Kultur' from the German, 'kulak' from the Russian, and 'jazz,' 'graft,' and 'dope' from the American. Reference is made to 'step on the gas' and the expression 'no flies on' so-and-so is traced back to 1848, when Haygarth's *Bush Life in Australia* mentioned that 'there are no flies about that black bull.' The term 'floodlight' first appeared in 1917, but 'hike,' supposedly a recent importation from America, crops up in a letter by Susan Hale written in 1868, when she spoke of having had 'a fearful heik up the Grand Pyramid.' Conan Doyle also used the word in connection with Sherlock Holmes's 'hiking around the world.' The presumption is that it is a bit of local dialect from some unknown quarter of the British Isles. Dr. Onions also announced the publication next spring of the Shorter Oxford English Dictionary, which will contain the essential part of the complete work, giving the formation of words, their etymology, their meanings in historical order, and some quotations. It will contain 2,600 pages and sell for three guineas.

A Champagne Anniversary

THE two hundred and fiftieth anniversary of the discovery of champagne was celebrated at the end of June when the Archbishop of Rheims crowned with a wreath of vine leaves the statue of Dom Pérignon, a native of that city who, as a Benedictine monk in the Hautevillers

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Abbey, is credited with having perfected the preparation of sparkling white wine. The claim that he invented champagne must, however, be dismissed, for even the Romans knew that a second fermentation in the bottle produced carbonic acid gas. They used to put some kind of bung into their wine jars to preserve the famous fizz, and corks of oak bark had certainly been used long before Dom Pérignon's day.

Nevertheless Dom Pérignon must be recognized as a real innovator as well as a man who did more to improve wine than any other individual in recorded history. He was famous for his delicate taste and it was written of him during his lifetime that 'this unique man retained to a great old age such a singular delicacy of taste that he could give without hesitation the name of the canton that had produced each grape. Presented with a basket containing grapes from all the vines of the region, as well as some from Cumières, he tasted them and then arranged them according to the soil from which they had come, at the same time indicating which strains should be blended to form the best quality of wine.'

His own notes and records were destroyed during the French Revolution, but the tradition is that as cellarer and wine keeper in the Abbey he experimented with adding sugar to wine and finally achieved remarkable success. Born at Sainte-Menehould in 1638 of good bourgeois stock, Pierre Pérignon entered the Abbey of Saint-Vannes in Verdun at the age of twenty. Ten years later he moved to the Benedictine Abbey at Hautevillers, where he discovered his true avocation. He lived to the age of seventy-seven and was described by his superior when he died as 'honest, virtuous, learned, and of a very sweet disposition.'

Since his death tastes in champagne have changed. Until 1865 sweet champagne was more highly esteemed than dry and in the mid nineteenth century 'a man who likes dry champagne' was the equivalent of a gum-chewer to-day. Professor Saintsbury, an authority on fine living as well as fine literature, recalls that the head of a great champagne firm once said that as long as he lived there should be no dry champagne sent out under his name. But the old sweet champagne seems to have been different from the modern brand. It has been described as 'moderately rich and full flavored,' 'delicately dry with the true pineapple flavor and bouquet,' and 'sufficiently powerful'—this last no great alteration. No less than seventy British visitors flew from Croydon in six airplanes to attend the celebrations at Rheims, and many distinguished foreign diplomats put in an appearance. The following passage from Thackeray was unearthed as a fitting tribute from across the Channel:—

'Yes, Beloved Sparkler, you are an artificial, barley-sugared, brandied beverage. But console yourself—you are the liquor in whose bubbles lies the greatest amount of the sparkle of good spirits—you have made me hope, aye, and forget. Ought a man to disown such a friend?'

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AS OTHERS SEE US

Hoover and Roosevelt

MOST foreign commentators on the American presidential campaign assert that its outcome will be determined by domestic factors and that there is no difference between Republicans and Democrats on matters of world policy anyhow. The British press, however, includes several thoughtful observations. The *Manchester Guardian*, which advocates free trade in season and out, is almost alone in foreseeing a lively struggle over the tariff issue between two able and representative men:—

The Democrats have picked their best man. Governor Roosevelt is as strong a candidate as they could have found, and he has it in him, if elected, to make a good president. He has integrity and brains and tact; he has wide experience of politics and of public administration. He is neither ignorant nor intolerant of other nations. He is definitely a liberal rather than a radical; but he is also definitely a liberal rather than a conservative. He and the President will be antagonists worthily matched. For whatever Mr. Hoover's shortcomings may be—and they have been shown perhaps on the domestic rather than on the international side of his policies—no serious observer denies that he stands far above the ruck of Republican politicians, and distinctly above the average of Republican presidents. It will be an extraordinarily interesting fight. The two candidates are not only men of ability and personality. They stand for something. They have each an individual outlook, a general purpose in politics. If Mr. Hoover is a conservative, he is a sincere and humane one, not a shallow or venal reactionary. And, if Mr. Roosevelt is more properly to be called a Democrat than many who have held the name before him, he is in no degree a demagogue. For once one can look forward to a presidential election that will be something more than a scramble for power and the privileges that power brings with it.

The real division between the parties is on economic grounds, and the crux of it is the tariff question. The Republicans place absolute faith in protection. They propose to maintain the existing tariff wall at its present height, and even to add a few bricks in some places and to fill in a few gaps in others. They do not admit the responsibility of the American tariff for any part of the economic troubles from which the world is suffering, and, whatever coöperation they are prepared to offer in the political or the monetary field, they will not budge on tariffs.

There is no doubt that Governor Roosevelt is in full sympathy with the movement for lower tariffs. A year ago he declared that 'the Hawley-Smoot tariff is one of the most important factors in the present world-wide depression, and . . . one of the most serious obstacles to the return of prosperity.' On Saturday [July 2] he described it aptly as a 'barbed-wire entanglement,' and spoke explicitly of inviting other nations to 'plan with us for the restoration of the trade of the world.' There is no issue on which his attitude is more definite, or more exactly opposed to that of the Republicans. And not only, one fears, of the Republicans. It is distinctly probable that the bitter but not explicit hostility shown toward the Governor by one section of his own party is due in large part to his fiscal views. It is not unnatural that such opposition should have centred in the person of Mr. Alfred E. Smith, who is more closely linked than any other available candidate with the manufacturing interests of the east coast,

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and who, in his presidential campaign of 1928, abandoned the traditional low-tariff policy of his party for a fiscal position barely to be distinguished from that of the Republicans. That movement inside the Democratic Party seems to have declined as the failure of protection to conserve prosperity has become more and more evident. But it is not dead, and it may yet mean trouble. To depict the forthcoming election as a contest primarily between high and low tariffs would be to oversimplify the issues and to exaggerate the importance of this point in particular. Other items are sure to play a big part, notably Prohibition and Governor Roosevelt's avowed sympathy with unemployment insurance. But tariffs are not going to be kept in the background during the election, nor, if the Democrats win, after it.

A contributor to the Conservative *Morning Post* who signs himself 'Sentinel' prophesies the reëlection of Mr. Hoover:—

'The Democracy,' as the Democrat Party calls itself officially (just as our Liberals used to talk of themselves as 'the People'), has certainly chosen an excellent candidate for the presidency. Mr. Franklin Roosevelt may be described as a humanist with a sense of humor, who was on the side of the under dog even in his Harvard days, and can be relied upon to make the lines of an old electioneering song—

> My old dog's a faithful hound,
> Don't you go kicking my dog around!

a plank in his social programme. He is a distant cousin, and his clever and charming wife was a favorite niece, of the famous 'Cowboy President,' and this double relationship with that vivid character implies a twofold force of winning personality. Like the Tennants in this country, all the Roosevelts have a magnetic quality which, though indefinable, can always be definitely felt.

In his political pronouncements he is, and will be, a calculating Franklin rather than an impulsive Roosevelt. That is to say, he is essentially an American politician, with his ear to the ground, who will always try to say what his public is thinking.

If he became president, he might show himself capable of true statesmanship, of leading instead of merely following Main Street opinion. Certainly he has an unexpected fund of real knowledge and an unused reserve of will power. But, during the next few months, he can say nothing that could conceivably diminish his chances of success in the November elections.

Some political meteorologists think that Mr. Norman Thomas, the Socialist candidate, will do much better than he did four years ago, thanks to the adhesion of many despairing young voters. But he has not the slightest chance of success, and, that being so, even the hard-shell radical will think twice before he throws away his vote on a hopeless candidature.

When he accepted the Republican nomination in June 1928, President Hoover promised 'a job for every man,' and prophesied the immediate abolition of poverty. Providence played the big drum on his band-wagon. And when the blizzard began to blow with ever-increasing force, and the whole country was gradually frozen up, his reiterated promises of the speedy return of 'growing weather' got on people's nerves. Everybody hated him for his parrot cries of 'prosperity Hoovering just round the corner.'

To-day, however, the 'depression,' as it is universally called in America, is deeper than ever, and Mr. Hoover is looked on as a good man struggling with adversity, victim of ills beyond any mortal's control. The people feel themselves fallen with him in an economic oubliette as profound as the Grand Canyon with its 6,000-foot abysms, into which the tourist gazes aghast, as though looking over the edge of the world. They will reëlect the President because they are as sorry for him as they

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are for themselves. Moreover, his enemies have done him good service by personal slanders, though it is generally known that he dwells in the White House of a blameless life; his private conduct, unlike the late President Harding's, being beyond reproach.

So the reëlection of President Hoover, whom I have always admired as a broad-gauge personality ever since he was sometimes seen in London many years ago, seems to me highly probable. It was an exhilarating experience to meet him and hear him talk mining economics in those far-off days.

The *Spectator's* comment is a good deal more typical of average British opinion:—

For us in Britain the presidential election is important by reason of its results, whatever they may be, in world affairs, and especially in the economic affairs of Europe. For the American public, as the Chicago conventions overwhelmingly bore witness, the campaign of 1932 will be a fierce trial of strength between Wets and Drys. To outside observers, probably, nothing in the world of democratic politics could be more interesting than this—that the greatest of Republics, laboring through the most terrible economic depression in its history and carrying a burden of not less than ten million unemployed, should be wrought up into a sudden tempest of passion over Prohibition, after a period of ten years during which the electorate has been steadily denied the opportunity of voting upon the one and only public question by which the entire American people is stirred. There are three main facts in this connection that should not be overlooked: first, the enforcement of Prohibition is a proved and hideous failure; secondly, the organized Protestant churches are no longer a unit in support of the Dry Law; and, thirdly, half the enormous electorate of to-day are young people.

Poiret on America

PAUL POIRET, who wrote a book of reminiscences after abdicating as the tsar of female fashions, floored a recent interviewer by stating that American women now set the styles for all the world:—

There was a time when the French customers set the fashion, but they had to economize. Soon we had only one customer left, the American woman. Therefore, much to our regret, we had to work exclusively for this client. I say with regret, for from that time forth Americans have imposed their conceptions, tastes, and laws upon us. What a disaster. Goodbye to line, harmony, and the light fancy and adorable poetry of French fashion. But what else could we expect? The Americans have no sense of beauty. They are essentially practical. The primary senses are developed in them to a high degree. They are good at business. They are mercenary first and sensitive afterward. Those unfortunate people have suppressed everything that makes life an acceptable adventure—love, wine, good taste. They have even declared war on good eating by inventing that frightful instrument known as the Frigidaire, which takes all taste out of food. First fashions are destroyed, then the kitchen. It is a regular inquisition.

Spain to the New World

A LEADING editorial in *El Sol* of Madrid urges the Latin American countries to forget about the United States and turn their eyes toward the more benevolent capitalists of Europe. Evidently the chief organ of the new Spanish Republic does not object to promoting imperialism elsewhere:—

North America tried to solve Chile's economic and financial problems at the

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beginning of the decadent post-war period, taking over the high command of Chile's industrial and financial life, yet all it accomplished was to complicate matters even more and cause a deeper crisis. But Chile is not the only country where North American influence has produced these effects. Chile's troubles are mild compared with the catastrophe in Cuba, while Peru, Mexico, and other less important American republics have undergone similar experiences. It might be thought that this collapse is not the fault of the United States but a result of world economic unrest. The United States, however, cannot be exonerated, for it contributed a good deal to the development of the crisis, at least in Latin America. Furthermore, we are witnessing a positive and inexcusable failure of specifically North American methods, of the North American way of looking at things and doing business. Who doubts that the Cuban sugar industry and the Chilean nitrate industry, for instance, could have defended themselves better in the post-war economic period with their old-fashioned systems of exploitation and their modest capital investments? Who can doubt that certain Spanish American countries that have fantastically altered their way of life and departed from their traditional methods of production to give themselves over to delirious speculation in copper and oil would have been in a better position to face the difficulties of their economic future?

Spanish America has never fully realized that its economic destiny is inexorably linked to industrial, capitalist Europe, that its rich lands are merely the uncertain outposts of a Europe whose internal structure and technical world hegemony are seriously menaced. Nor did South America realize that this Europe represented something that could probably never be replaced. Spanish America enjoyed the splendid confidence of an independent, privileged country that did not have to create its own assumptions and motive power. In other words, it developed an optimistic, heedless, open-handed psychology.

The World War was a danger signal to Latin America that it did not heed. The colossus of the North prevented it from doing so. Radiant with triumph, brimming over with gold and commercial wisdom, the United States appeared before Latin America as a better substitute for Europe. The United States, moreover, spoke in simple, cheerful terms that suited South American psychology. Some republics that were more influenced by European ideas and interests and not very enthusiastic about Yankee imperialism regarded the United States suspiciously, but in spite of everything the Messianic idea of North American power and modernity spread throughout the greater part of Latin America. One by one the cultural, economic, and political resources of those young countries surrendered to the greedy rule of Yankee imperialism, and this process of absorption had its organic expression in Pan-American congresses.

To-day those republics of our race are despondently watching the collapse of whatever the United States stood for in the last ten years. Their extravagant view of life must be altered. Their hope in foreign protection must disappear. They must stand on their own feet, look for wealth at home, and dig deep into their own character and spiritual reserves. This process of cultural intensification and of revived independence will cause them to be less indifferent to Spain than they have been in the past.

America's Concentrated Capitalism

BERTRAND DE JOUVENEL contributes a long article to the *Revue des Vivants* in which he brings forward quantities of facts revealing the extensive centralization of economic control in the United States. His final paragraphs describe the methods by

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which holding companies dominate the activities of large corporations:—

The process is admirable and can be developed to infinity. Let us start with 51 million dollars. With it we can control Corporation A with a capitalization of 100 millions. Corporation A will devote all its capital to purchasing a majority of stock in Corporation B, which is capitalized at 196 millions. Corporation B will use all its capital purchasing a majority of stock in Corporation C, with a capitalization of 384 millions. Corporation C will devote all its capital to purchasing a majority of stock in Corporation D, with a capitalization of 752 millions. Corporation D will devote all its capital to purchasing a majority of stock in Corporation E, with a capital of 1,474 millions. The public has provided 1,423 million dollars and is in a minority all along the line. The promoters have furnished 51 million dollars and they are everywhere in the majority because they control A, which controls B, which controls C, which controls D, which controls E!!!

The pyramiding process itself becomes useless in the biggest of the big corporations. The American Telephone and Telegraph Company has six hundred thousand stockholders. It is evident that not one man in a thousand will attend a general meeting. The absentees do not vote personally but give their power to a fellow stockholder or to proxies named by the board of directors. In practice the proxies receive almost all the power, and they use it to reëlect the board of directors and to approve the balance sheet. Thus the board of directors enjoys the faculty of passing on its own activities and perpetuating itself. The more stockholders there are the more impossible it is for them to work together and the more certain it is that their power will be handed over to the proxies. It is a situation similar to what would happen if the voters handed over their ballots to their deputies. It explains the efforts that many corporations have made to distribute their stock as widely as possible. Thus control of their management becomes impossible.

All American economy to-day is simply the logical development of the corporation. The natural outcome of the present process will be the merging of all corporations into a single corporation controlling the whole material life of the nation. All citizens will be employed by this corporation, all citizens will consume its products, all citizens will be its stockholders, and at the head of this corporation there will be a board of directors over which the stockholders will have no control. Such a picture of economic autocracy hardly anticipates reality. What exists at the present time is no less flagrant. The nation is not conscious of its condition and the autocrats themselves do not know the full extent of their power or of their responsibility. But already the existing régime has put an end to old-fashioned conceptions of private property, free commerce, and competition, though ignorant politicians obstinately continue to regard these conceptions as the basis of an imaginary American democracy.

Russia in American Films

A CONTRIBUTOR to the *Week-end Review* of London who disguises himself behind the name of N. Gubsky has written a general survey of pre-revolutionary Russia as depicted in American films:—

Geography: Pre-revolutionary Russia consisted of steppes and parks, situated along the Volga, a mighty river which winds its way among Imperial palaces, castles, and villages.

Climate: Californian in summer: continuous sunshine; rainfall nil. Canadian in winter: deep snow and frost.

Architecture: Palaces and castles are of Babylonian style with Chicago variations. Huts (*izbas*) are of the so-called

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mujik style. Highly inflammable; if set on fire burn down in thirty seconds.

WAYS OF COMMUNICATION: The Volga.

GOVERNMENT: The country is ruled by a caste called the princes. Methods of governing are: (a) whips, (b) prison. There is also a Tsar.

POPULATION: The population consists of three classes:—

1. The Princes. Handsome young men of Anglo-Saxon extraction. Usually unmarried. Wear the Imperial Guards uniform identical with that of the Peruvian Army, and enjoy the privilege of using large-size Imperial crowns on their visiting cards, their linen, their park gates, etc. A very wealthy class, possessing a fabulous quantity of samovars, faithful borzois, and portraits of the Tsar. Most of their time the Princes spend banqueting and whipping Volga boatmen (see paragraph 2). In the intervals they drink vodka out of silver pails, smoke Russian cigarettes with cardboard holders, and seduce Russian girls (see paragraph 3).

2. The Volga Boatmen (the spelling 'Vulgar' is obsolete). These form the vast majority of the population (96 per cent). Creatures of ferocious appearance and sullen looks. Dressed in rags. In the summer they are busy towing Volga boats—hence their name—and singing their world-famous song. When passing the Imperial palaces and the Babylonian castles they stop to spit with vehemence and to shake their fists at their oppressors. In winter, the Volga being frozen, they withdraw to dimly lighted cellars in their villages and conspire to overthrow the existing régime, i.e., the Princes. But the Princes are on their guard; they descend into the cellars, shoot down the ringleaders, and whip the rest (see chapter on 'Government'). Most of the boatmen are put in prison, some escape into the snowbound steppes, where they perish by the thousand, partly from wolves (the *Canis Alsatiensis* variety), partly from famine. However, the Princes never succeed in exterminating them completely, and there comes a moment, locally called the Moment of Awakening, when the surviving boatmen rise as one man against their unrighteous rulers. The Princes then lose courage, make the Sign of the Cross in the wrong way, and try to escape by subterranean passages. The Boatmen pursue and overtake them. But at the critical moment the fugitives are saved by one of the wholly or partially seduced Russian girls (see paragraph 3), who takes them across the park to the European frontier, i.e., the Volga. Here the Princes cast a last glance at their revolutionary country and fall into the arms of the Russian girls.

3. Russian Girls. Mostly of the Semitic race. Noted for the subtle ardor of their gestures. Their dress is the same in summer and winter: silk blouse, short skirt, and elegant light shoes. Being very pure, the girls listen demurely to the amorous entreaties of the Princes, and a considerable percentage of them lose their honor in consequence. Those who are dishonored hasten to the Volga and promptly drown themselves; those who are not pass from despair to a fit of revolutionary activity. They proceed to the cellars and utter inflammatory speeches, dancing Spanish dances to lend weight to their utterances. Having roused the Volga Boatmen from their apathy the girls lead them in an attack on the Castle, but on the way they become a prey to a dramatic conflict that makes them behave as indicated in paragraph 2.

NOTES: (1) Cossacks. These are really Volga Boatmen of unstable character who have sold themselves to the Princes. At the Moment of Awakening (see above) they go back to the Boatmen and exchange with them the traditional Russian Easter Kiss (Fraternization). They wear a picturesque, tightly fitting garment with eagles on the chest. (2) Children. Very limited in number (2 per cent of the population), probably because of the suicide habit of the Russian girls. No babies.

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THE GUIDE POST
(Continued)

such hardship can embark on any foreign adventures at all.

RENÉ SCHICKELE, Alsatian-born German, is a novelist of distinction, some of whose work has been translated in the United States. On the present occasion he appears before us in the modest rôle of indorser of another man's talent. We gave his article on Walter Bauer's promising first novel, *Ein Mann zog in die Stadt*, the title, 'Heir to Remarque,' because the excerpts from the book which Herr Schickele presents instead of criticism show that this new writer not only has the straightforward style of Remarque but also has chosen a subject just as significant as the war and post-war adventures of a typical German soldier. Herr Bauer's hero is not a fighting man but a simple worker, born, like millions of others, in the countryside and caught up by the industrial machine.

ERNST ROBERT CURTIUS has written a book on Proust as well as a study of French civilization recently published in translation in the United States. Unlike most Germans, he has remained faithful to the ideals of humanism, and in his present essay he discusses one of the outstanding moral problems of the day. Though his attitude may seem a trifle academic, he is certainly not wide of the mark when he says that people are much less fussy than they used to be about personal morals and much more sensitive about their attitude toward social problems. Yet he insists that luxury and civilization go hand in hand.

EVERY week the anonymous satirist who signs himself 'Yaffle' contributes an essay on some contemporary theme to the *New Leader*, organ of the British Independent Labor Party, which, under the leadership of James Maxton, has just broken away from the orthodox Labor organization. For those who find Mr. Hamilton's treatise on the gold standard either too serious or too conservative we recommend 'Yaffle's' ingenious treatment of a recent financial dilemma.

THE LETTER of an enthusiastic young Austrian girl written in the summer of 1897 from the Wagner Festival at Bayreuth and the touching postscript added in 1919 make us sharply aware of the Europe that went down to destruction during and after the War. Her recollections of Lord Balfour—then plain Mr.—and King Edward and Queen Alexandra—then the Prince and Princess of Wales—make charming reading on their own account and provide besides a vivid contrast to nearly all our other articles, reflecting as they do the anxious Europe of to-day.

MORE than one foreign book reviewed in our 'Books Abroad' department has later enjoyed wide popularity in the United States. Our readers learned of Jean Schlumberger's *Saint-Saturnin* some months before it became a Book of the Month Club selection, and *Job* by Josef Roth was reviewed in THE LIVING AGE about a year before one of the book clubs in this country sent it to their members. Of course, we do not refer only to books that are likely to have large sales in America, but this month there seem to be more foreign books than usual that will probably appear in translation. Emil Ludwig's conversations with Mussolini, which provide the backbone of a 'Persons and Personages' article, will certainly appear soon, as will Paul Morand's *Air indien*, reviewed in 'Books Abroad.' It is also our belief that Wladimir d'Ormesson's *Enfances Diplomatiques* should have a good American sale, and perhaps Hans Fallada's *Kleiner Mann—was nun?*, both of which are reviewed in 'Books Abroad.' And the name of Walter Bauer will surely be known in America some day.

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WAR AND PEACE

GERMAN industry must clearly take note that here (that is to say, in the Soviet Ukraine) is a territory for markets and raw material with the aid of which it will be able at some time to rehabilitate itself. It is true that the Soviet Union is still a political and economic reality with which we have to reckon. But this necessity does not exclude us from taking into our foreign political calculations the possibility of a liberation of the Ukraine from the Muscovite yoke and from making appropriate preparations for this eventuality.—*'Deutsche Bergwerkszeitung,' organ of German heavy industry.*

A plan on a large scale for a new military intervention by the imperialists against the U.S.S.R. has, in the main, already been prepared and may at any moment be put into operation. Besides Japan, France and Czechoslovakia are also taking an active part in direct, immediate preparations for realizing this plan. —*'The Communist International,' official organ of the Komintern.*

In the face of a world war can we afford to be responsible for the destruction of our form of civilization, if the matter comes to that pass, in order to say we preserved our neutrality? —*Admiral William V. Pratt, Chief of Naval Operations, U. S. A.*

The Japanese navy and army did not intend to make any aggressive move at all against the Chinese Nineteenth Route Army.—*Kyugoro Obata, Secretary of the Japanese-American Relations Committee of Tokyo.*

The so-called Commission of Inquiry, the American protests against the violations of China's territorial integrity, the Shanghai Peace Agreement, the proposed round-table conference, the free city agitation, the various plans for the demilitarization of other big cities in China are all part of one common aim—to supervise the forces of reaction in China in matters of diplomacy, armaments, finance, and propaganda with a view to intensifying the war against the Red armies and the Chinese Soviet Republic.—*Appeal by Left Chinese Cultural Federation.*

Fascism, as it generally regards the future and the development of mankind, and apart from consideration of present policies, does not believe in the possibility of perpetual peace. It therefore rejects pacificism, which implies renunciation of struggle and cravenness in the face of sacrifice. Only war carries all human energies to the height of tension and gives the seal of nobility to peoples that have the courage to confront it.—*Benito Mussolini.*

I am not among those who say 'Never again war.'—*Carl Severing, Socialist, former Prussian Minister of the Interior.*

The disarmament conference sat for six months and adopted a resolution that neither achieves disarmament nor acknowledges equality of rights. What has become of all the nine principles formulated by all the governments at the beginning of the conference? They have found their graves in the debates in the technical committees. The German people have waited thirteen years for their due. They can wait no longer. If submarines, bombing planes, heavy artillery, and tanks are now designated as means of defense, by what justification can one deny Germany this protection?—*Kurt von Schleicher, German Minister of Defense.*

It is sentimental verbiage to call for peace without organizing its institutions. It is useless to believe that conflicts can be peacefully arbitrated if the arbiter cannot impose his decision on a nation that rises against the common law. Let us fortify ourselves for the double task devolving upon us of maintaining our security and organizing peace.—*Joseph Paul-Boncour, French War Minister.*

President Hoover's proposed cut of one-third in the number and tonnage of battleships and of one-fourth in that of other categories has been silently rejected by British public opinion. The national instinct, which, when grave issues are at stake, transcends arithmetical calculation, warns us that the time has come to stop monkeying with our naval defenses.—*Hector C. Bywater, British naval expert.*

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